

# CHINA, INDIA & PAKISTAN: FRIENDS OR FOES?

A study for the ID Foundation



2022

## CONTENTS

### Introduction

<b>1. China and India - two great civilizations .....</b>	<b>4</b>
<b>2. Gradual changes in Chinese and Indian foreign policy .....</b>	<b>5</b>
2.1. Changes in Indian foreign policy .....	10
2.2. Towards Indo-Chinese cooperation .....	15
2.3. Security challenge for China, India and Pakistan: border settlement .....	17
<b>3. The Chinese opportunity in the 21st century .....</b>	<b>22</b>
3.1. China's growing role in India's neighborhood .....	25
3.2. The philosophy of the Chinese dream and its impact on the Asia-Pacific region .....	28
<b>4. India's maritime security: emerging challenges .....</b>	<b>30</b>
4.1. India 's involvement in South East Asia: competitive dynamics .....	31
4.2. Main obstacles to improving Sino-Indian relations .....	33
4.3. Security risks in the South China Sea and the Indian Ocean .....	35
<b>5. China-Pakistan Agreement: Strategic Concerns .....</b>	<b>39</b>
<b>6. India, USA and China: the emerging balance of clusters .....</b>	<b>41</b>
<b>7. Military and nuclear doctrines of Pakistan and India: implications for strategic stability in South Asia .....</b>	<b>44</b>
7.1. India-Pakistan rivalry in the nuclear age .....	44
<b>8. CPEC and crisis stability in South Asia .....</b>	<b>46</b>
8.1. SCO: Another potential stabilizer .....	48
8.2. Advantages of CPEC for Pakistan .....	50
8.3. The importance of CPEC for China .....	51
8.4. Impact of CPEC on the regional and global level .....	53
8.5. Indian concerns about CPEC .....	54
<b>9. The continuing paradox of stability - instability in South Asia .....</b>	<b>58</b>

## Introduction

The three regional states of China, India and Pakistan have a complicated relationship. India and Pakistan waged three wars (1948, 1965 and 1999) over Jammu and Kashmir and one war in 1971, which resulted in the division of the Eastern Wing of Pakistan, which led to the creation of Bangladesh. India and China, on the other hand, waged war over the Aksai Chin dispute in 1962. Similarly, both countries have an existing bilateral dispute over the state of Arunachal Pradesh. Moreover, despite diametrical military strategies against the Indian Ocean and nuclear weapons, the subsequent comprehensive and multi-level military balance of forces is unlikely to lead to peace, but at least to stability between India and China. Bilateral trade between India and China has risen sharply over the last fifteen years from \$ 3 billion to \$ 70.50 billion.<sup>1</sup> These trends point to the paradoxical nature of the relationship between the three countries. However, this is also underlined by interconnected and overlapping interests between India, China and Pakistan, especially in the form of economic and trade engagement between India and China, China and Pakistan, and fears of losing escalating dominance between India and Pakistan in a limited or total war.

China insists on maintaining neutrality on issues that remain unresolved between India and Pakistan. However, it has indicated on various occasions its eminent interest in regional stability, especially in view of Pakistan's fight against terrorist groups such as the Islamic State, Al Qaeda, Tehreek-e-Taliban Pakistan and the Islamic Movement of East Turkestan, and its commitment to provide all necessary security measures. for CPEC. These terrorist organizations pose not only asymmetric threats to Pakistan's internal security, but also to China's domestic security, especially in its eastern province of Xinjiang. During September 2016, after the Uri attacks, when the crisis between Pakistan and India was serious due to Indian allegations that Pakistan launched attacks on a military base in Indian Kashmir (IOK), the Chinese Foreign Ministry said it was deploying multiple channels to communicate with India. and Pakistan during the crisis. The Chinese Ministry of Foreign Affairs commented on the subject of this communication "We hope that India and Pakistan will be able to improve

---

<sup>1</sup> **Garlick, J.:** *Reconfiguring the China-Pakistan Economic Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities.* Routledge, London. 2021.

communication and deal with differences properly and work together to maintain peace and security in the region ... China hopes that both countries could properly address their differences [through] dialogue and consultation and to improve their bilateral relations, strengthen cooperation in various fields and work together on regional peace, development and stability."<sup>2</sup>

This is evidenced by the fact that China, despite its reluctance to intervene in South Asian security puzzles, is likely to be actively involved in crisis management among its nuclear weapons neighbors. Instead of serious threats to the regional stability of South Asia or the wider region in general, such an ancillary role through backchannel diplomacy will contribute to strengthening the stability of nuclear-armed South Asia. The frequency of such behavior may increase in the future, despite China's reluctance to protect its own interest in the "peaceful rise". In addition, its common interest in protecting its economic core communications lines and infrastructure is likely to force it to intervene and play a role in crisis management in South Asia. This is likely to improve given the role of the Shanghai Cooperation Organization (SCO), of which India and Pakistan became permanent members on 10 June 2017, which Pakistan called a "historic day".<sup>3</sup>

## **1. China and India - two great civilizations**

India and China, both heirs of ancient civilizations, now present themselves as the two strongest and most influential Asian nations in terms of their economic and geopolitical positions. Recognizing the need to discard the legacy of history and the residual mistrust, the two former adversaries embarked on a journey of creating a new pragmatic partnership. This new partnership has two mutually reinforcing components. First, both continue to have an interest in a peaceful neighborhood in order to focus on undisturbed processes of economic and technological progress and maintaining their constant growth as a major center of power. Second, both China and India understand that cooperation could work to their mutual benefit. Any conflict between them would

---

<sup>2</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics.* Oxford University Press, Cambridge, 2020, page 34.

<sup>3</sup> **Garlick, J.:** *Reconfiguring the China-Pakistan Economic Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities.* Routledge, London. 2021.

not only jeopardize their national security, but would also have serious consequences for their regional and global security prospects. It would also go a long way in profiling Asia as a cornerstone of the future world order, which is clearly in their economic and strategic interest in the long term. Although both countries are aware that cooperation may be in their common interest, it is easier in theory than in practice. Sino-Indian relations have always been complex with multi-layered regional and global dimensions, which have complicated their bilateral relations. Both India and China have gone through various stages, ranging from friends to adversaries to pragmatic partners. The only factor that has been constant in the performance of their affairs is the fact that they are neighbors and at the same time geopolitical rivals who have so much to gain from each other as to fear the other.<sup>4</sup> In essence, Sino-Indian relations, driven, as appropriate, by the supremacy of national strategic interests and the search for global influence, will continue to be subject to various moves and pressures from their competitive interests.

## **2. Gradual changes in Chinese and Indian foreign policy**

The deaths of 20 Indian soldiers and an undisclosed number of Chinese soldiers thrown by force along the Line of True Control (LAC) on June 15, 2020, mark a milestone in the seventy-year relationship between Asia's most populous. Experts on both sides share this view. Brahma Chellaney described it as a "turning point" in India-China relations, while Hu Shisheng called it "the lowest point since the 1962 border war." Each side blames the other. Former National Security Adviser Shivshankar Menon describes what happened in Ladakh as "a major and consequent shift in [Chinese] behavior," while Hu says it is the Indian government that "has stepped up its efforts to act harshly against China." From an Indian perspective, Chinese action on the East Ladakh control line has disrupted the border management framework that the two sides have been building since 1993 and seriously damaged India-China relations. Misperceptions seem to be deepening and a lack of confidence is the basis for non-compliance.

---

<sup>4</sup> **Pal, D.:** *China's Influence in South Asia. Vulnerabilities and Resilience in Four Countries.* Carnegie Endowment for International Peace, Washington, DC, 2021.

Rajiv Gandhi's visit to China in December 1988 marked the beginning of a new phase in Indo-Chinese relations that led to fundamental political change. First, both India and China have agreed that this relationship will be fully normalized and will no longer be conditional on a prior settlement of the border issue. Secondly, both have also committed themselves to maintaining peace and tranquility along the LAC until a final resolution that is fair, reasonable and mutually acceptable. Third, everyone recognized the other party's legitimate contributions to maintaining global peace and progress. In Indian circles, it became known as *modus vivendi* Rajiv Gandhi-Deng Xiaoping. In the early 1980s, India began secretly exploring ways to improve relations with Beijing. In the second half of the 1980s, however, some new factors came into play. One such factor was the close military encounter with China along the LAC in 1986-1987 in the Sumdorong Chu Valley (known as the Wangdung Incident). The granting of statehood by India in the northeastern territory of Arunachal Pradesh in February 1987 further contributed to tensions between India and China.<sup>5</sup>

Another factor that contributed to this was the forthcoming normalization of Sino-Soviet relations under former Soviet President Mikhail Gorbachev, as well as the ongoing process of normalizing China's relations with the West. There has been speculation that the upcoming general election in 1989 and allegations of corruption in the arms trade in Boforse may have been a factor in India's quest for foreign policy success. India perceived that China had a stable and pragmatic Chinese leadership under the leadership of former Supreme Leader Teng Xiaoping, who addressed the then Indian Foreign Minister and later Prime Minister Atal Bihari Vajpayee and then Prime Minister Indira Gandhi. India hoped this would mean that China would be more receptive to border settlements on a realistic basis, willing to institutionalize peace and tranquility through confidence-building measures, show greater respect for India's territorial integrity, and weaken the China-Pakistan partnership through better Sino-Indian relationships. To achieve these goals, elements of India's engagement with China included, *inter alia*, restoring rhetoric, resuming top-level and other political exchanges, reopening trade and trade ties, easing restrictions on people, confidence-building

---

<sup>5</sup> **Dittmer, L.:** *South Asia's Nuclear Security Dilemma: India, Pakistan, and China*. Routledge, London, 2015.

measures in border areas, standardizing military relations and closer cooperation in multilateral relations. areas.

In the following years, from India's point of view, there were positive or favorable results. These included intensified leadership-level interactions, formal Chinese acceptance of Sikkim as part of India, important peace and peace agreements in 1993 and 1996, an agreement on political parameters and guiding principles for a settlement of the India-China border issue in 2005, and trade growth. However, China was unwilling to resolve the border issue on the basis of ground facts. Therefore, in 2003, China also stopped the process of clarifying the LAC; after 2000, concerns arose about the rapid construction of infrastructure along the LAC and in Tibet.<sup>6</sup> China has not made any major changes in its position on Jammu and Kashmir, and the sale of lethal weapons to Pakistan has continued at a rapid pace. In the middle of the 21st century, worsening trade imbalances also became problematic. China could assume that it could secure a frontier settlement on its own terms in the eastern sector, that India would gradually severely curb the activities of the Tibetan refugee community (as Nepal did), that the Indian market would be open to Chinese goods, that India would remain sensitive to China's security on its southwestern border and will support China in the multilateral arena, and that it could safely decipher India-Pakistan relations and negotiate on simpler terms with other South Asian countries. The peace along the LAC gave China a greater sense of security and allowed it to build infrastructure without serious opposition from Indians, the Indian market was opened and China became one of India's largest trading partners, making progress in securing India's accession to Tibet as part of the People's Republic of China, and China has significantly penetrated South Asia, including through arms sales.<sup>7</sup>

In addition to the significant increase in the Chinese economy and, consequently, its complex national power, China's reach on markets and resources has also increased the pressure to become more involved in global affairs. There is an almost unanimous view in China that the global financial crisis has exposed the West's

---

<sup>6</sup> **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability.* Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.

<sup>7</sup> **Clemens, A.:** *China Pakistan Economic Corridor Needs a Counter Strategy of India.* Alpha Editions, Marousi, 2018.

vulnerability and created room for China's rise. Consequently, President Barack Obama's policy toward Asia, combined with China's disputes with Vietnam and the Philippines in the South China Sea and with Japan over the Senkaku (or Diaoyu) Islands, were also factors that favored foreign policy review and adjustment. Tao Guang Yang Hui seems to be defending a foreign policy that is "more capable," or, as some Chinese scholars have said, "it was not logical for Beijing to continue Tao Guang Yang Hui to practice anything else." Tao Guang Yang's Deng Strategy Hui was reportedly to economically enrich China and make up for lost time during the Cultural Revolution.<sup>8</sup> This required China to sublimate its longer-term interests in favor of economic growth. China has shunned any leadership role, prioritizing its relations with the United States over all other foreign policy goals. China needed to move from a country-oriented foreign policy to a problem-oriented policy and from a policy that meant a passive adaptation to global developments to a proactive approach to shaping the global environment.

A new approach in China's foreign policy has been captured in the phrase Fen Fa You Wei or "striving for success."<sup>9</sup> It was recommended that the focus of Chinese foreign policy shift from building relationships based primarily on mutual trust to building relationships that accentuate common interests, and that China give equal priority to the neighborhood compared to the previous period when it was proud of its foreign policy position. The results of this intellectual thinking came to light after Xi Jinping took over the presidency and convened a diplomatic conference with neighboring countries in October 2013. The question of how China handles the United States remained critical in China's foreign policy. Beijing saw then-Secretary of State Hillary Clinton's statement on US beer in Asia as a strategic goal to deny China geostrategic balance in the Asia-Pacific region.

---

<sup>8</sup> **Dittmer, L.:** *South Asia's Nuclear Security Dilemma: India, Pakistan, and China*. Routledge, Londýn, 2015.

<sup>9</sup> **Pal, D.:** *China's Influence in South Asia. Vulnerabilities and Resilience in Four Countries*. Carnegie Endowment for International Peace, Washington, DC, 2021.



China has expressed great concern about US action in the region, not only with regard to its allied partners, but also with regard to building new relations, including those with India, which have indicated detention. Some Chinese analysts believe that this is why China is becoming proactive in shaping the regional environment and is more assertive, albeit in a defensive or constructive way. The question is whether and to what extent India has been a factor in this reshaping of China's foreign policy. This provides an insight into the ways in which China perceived India.<sup>10</sup> In Chinese literature, India is regularly described as an important neighbor and developing country. Chinese scholars have spoken of common interests in multilateral affairs and the phenomenon that both countries are growing at the same time. At the time, India and China seemed to be working together on global issues such as climate change, as well as the Russia-India-China triad and the BRICS (which also included Brazil and South Africa). Some Chinese academics even mentioned the absence of strategic differences between India and China, although it was accepted that there were serious differences on some bilateral issues.

However, there seems to be almost no mention of India in the debate on China's new foreign policy. The United States, China, and Russia are consistently referred to as major powers in all Chinese writings of the time, and there are occasional references to Japan and the European Union in this category, but India is rarely mentioned. Perhaps China did not consider India an area of strategic interest in the broader context of global politics. China did not consider India an important partner in addressing the main strategic challenge of China's foreign policy - the United States. It is likely that China has concluded that India is unable to help or stop China's growth in the world. This could explain why China considered the importance of India only in the context of the Chinese periphery or in multilateral affairs, where both were considered developing countries and emerging economies.

Beijing also seems to have assumed that India does not have to seriously oppose the Chinese worldview and that individual concerns can be addressed bilaterally. Although China did not see India as an ally or a threat to its growth, China's revised

---

<sup>10</sup> **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability.* Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.

"foreign policy" foreign policy had a major impact on India. The primary outcome, namely the spread of economic benefits by China in its neighborhood in order to build common interests and create strategic credibility, which eventually took the form of the Belt and Road Initiative (BRI), touched on one key element and one central Indian interest. A key element was India's traditional and historical influence in South Asia, and the main concern was India's sovereignty in Jammu and Kashmir. No BRI consultations have taken place between China and India. The Chinese may have assumed that India would align and reconcile its plans with the BRI. Subsequently, when China declared the China-Pakistan Economic Corridor (CPEC) a flagship project, it was difficult for India to connect with the BRI. Second, the promotion of Chinese power in the South China Sea was in line with the new People's Liberation Army (PLA) activism along the LAC in Depsang (in 2013) and Chumar (in 2014), which raised concerns in India.<sup>11</sup>

As a result, Chinese frustration with US policy in the Indo-Pacific region began to be reflected in Indo-Chinese relations. From an Indian perspective, the Chinese approach seemed to suggest that India should be sensitive to Chinese concerns in this regard, while India remained indifferent to the concerns. India's response to China's new foreign policy, which has affected India's interests, regionally and multilaterally, seemed to be alarming and worrying in Beijing. Chinese leaders felt that although they did nothing to harm India's interests, India responded in ways that could harm them.

### *2. 1. Changes in Indian foreign policy*

Indian experts generally agree that India's foreign policy was under government control for decades before China reconsidered its own policy. The policy of non-participation, that is, equidistance, became obsolete in the late 1990s. Unlike China, India was deliberately not looking for a new policy, organizational principle or big strategy. In the light of her experience, she has previously made a series of adjustments. The Vajpayee government added a nuclear dimension, then Prime Minister Manmohan Singh's government added an American dimension, and the current Modi government

---

<sup>11</sup> Gilli, A., Gilli, M.: *Why China Has Not Caught Up Yet*. International Security Online, Vol. 43, No. 3, 2019.

added a maritime dimension.<sup>12</sup> Despite the belief in some Chinatowns that Modi's foreign policy marked a significant departure from past practice, India's foreign policy path included a search for international space and a doctrine of multilateral orientation.

However, there is a significant difference in the factors that have caused India and China to adjust their foreign policy. For India, China was an important aspect, while for China, India seemed to barely keep their mindset in creating a new approach. The successive Indian governments have consciously worked in two directions: building a strategic relationship with the United States and developing ways of working with China, clarifying the LAC, and creating a new Special Representatives mechanism at the political level to find a just, reasonable and mutually acceptable solution. Despite the setbacks, Singh's successor government continued to engage China, and in April 2005 concluded an agreement on the political parameters and guiding principles for addressing the India-China border issue.<sup>13</sup> The high level of ambition was reflected in the decision to establish an Indo-Chinese Strategic and Cooperative Partnership for Peace and Prosperity.

This did not mean that India was indifferent to the challenges in this relationship. Instead, there was a basic awareness that India could be involved in a long-term rivalry with China, but such a rivalry would not preclude significant elements of cooperation. Has China revived India's desire for cooperation from an Indian perspective during this relatively stable period of relations? A small minority of Indian analysts say yes, until they claim the Modi government has reportedly abandoned the policy and joined the United States. However, a more common view is that Beijing has not shown sensitivity to India's key concerns, even during the good years between the mid-1990s and the early 21st century. The reclassification of the Arunachal Pradesh region to Southern Tibet within a year of the 2005 agreement seemed provocative. China has also blocked multilateral lending for development projects in Arunachal Pradesh. China does not appear to be respecting India's demands by introducing bound visas for the people of Jammu and Kashmir. Months after the November 2009 terrorist

---

<sup>12</sup> **Karim, M. A., Islam, F.:** *Bangladesh-China-India-Myanmar (BCIM) Economic Corridor: Challenges and Prospects.* The Korean Journal of Defense Analysis, Vol. 30, No. 2, 2018.

<sup>13</sup> **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability.* Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.

attack in Mumbai, the Chinese bloc on listing terrorists on the UN Security Council's Sanctions Committee in 1267 showed a high degree of public insensitivity in 2009. China's growing footprint in South Asia has also been perceived negatively by strategic experts.

Since mid-2009, there have been signs of tensions in the public over the unequal benefits of engagement policy. Indian security analyst Chellaney (2010)<sup>14</sup> was one of the first supporters of the emergence that new cracks began to emerge that revealed a fundamental strategic imbalance and rivalry. He used the Chinese phrase "wen shui zhu qingwa" (slowly heat the water to kill the frog), which suggests that Chinese policy should have aroused minimal suspicion in India until a new balance is struck in favor of China. A different perception prevailed around this period: that China was the only great power that did not seem to reconcile India's rise. India has always recognized China as a great power from the beginning. India has also consistently supported China's membership of the United Nations and the World Trade Organization. On the other hand, many Indian experts believe that China, at least outwardly, rarely recognizes India as a major power. Former Prime Minister of the People's Republic of China Mao Zedong called India a capitalist "butler" and Indian Prime Minister Jawaharlal Nehru a "collaborator of imperialism." Former Prime Minister Zhou Enlai has spoken contemptuously, calling India a "bottomless hole" that desperately needed foreign economic aid.<sup>15</sup>

This view seems to persist in China's foreign policy apparatus, despite occasional references such as Deng's remarks on India, China, and the Asian century. Old impressions of the divisive influence of caste, poverty and regionalism on India's potential to become a major power are still common in Chinese writings. No changes are given to the changes that have taken place since 1990. One possible reason may be the lack of recent studies on India, because after a policy of "reform and opening up", China has turned its attention to the West. Thus, the way in which both countries have shaped their foreign policy seems to have some bearing on the current state of affairs.

---

<sup>14</sup> **Chellaney, B.:** *Asian Juggernaut: The Rise of China, India, and Japan.* Harper Collins, New York, 2010.

<sup>15</sup> **Farooq, U., Khawaja, A. S.:** *China-Pakistan Economic Corridor: Geo-political Implications, Regional Constraints and Benefits of CPEC.* South Asia Studies, A Research Journal of South Asian Studies, Vol. 34, No. 2, 2019.

There is a growing asymmetry in how important India and China are to each other for broader foreign policy goals.<sup>16</sup> There is a prevailing feeling in India that China is unwilling to give India due weight in global or regional affairs.

This perception is reinforced by the way in which some of China's broader foreign policy initiatives - such as the One Belt Initiative - One Way or its Pushing into the Indian Ocean - directly affect India's interests. From India's point of view, China seems to be taking steps that are hindering India's interests. India's response has been to push against China accordingly in matters of its key interests, such as the BRI or the South China Sea. Beijing seems to be surprised by the Indian reaction. As the Chinese analyst said, "In recent years, China has shown goodwill with the best of intentions on almost all specific issues concerning China-India relations, but has not received the same good faith in return."<sup>17</sup> because it is not considered an independent player with global influence.

As several scientists note, China tends to think of India primarily as a developing country. This suggests that during the transformation of the old foreign policy, a possible discrepancy in mutual perception could pave the way for future misunderstandings and mutual suspicion before Modi's arrival in mid-2014.<sup>18</sup> new prime minister while drawing attention to India's concerns. When Modi revisited China in April 2015, further signs of good chemistry emerged, although Si Jinping's consecration of the Sino-Pakistan Economic Corridor did not suit India. Within a year, the Chinese strategic community seemed to draw some conclusions about Modi's government. An earlier assessment assumed that Modi's Indian-led foreign policy would be "assertive." They noted that the "neighborhood policy" was aimed at re-strengthening Indian authority in South Asia and offering economic benefits to combat China's strategic forays. It was assumed that this could be detrimental to China's interests. Such reasoning seemed to fit into the Chinese analysis that India saw the

---

<sup>16</sup> **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability.* Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.

<sup>17</sup> **Gokhale, V.:** *The Road from Galwan: The Future of India-China Relations.* Carnegie Endowment for International Peace, Washington, DC, 2021.

<sup>18</sup> **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability.* Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.

Chinese invasion of South Asia at zero. India's focus on the Indian Ocean maritime area has also been seen as the Modi government's intention to build a naval defense in the Indian Ocean, turning toward the Pacific Ocean, in contrast to the previous Look East to Act East policy.

Eventually, China found that under Modi's rule, India was leaning more focused on America. The unspoken point was that Modi's policy was aimed at fighting China regionally and globally. Nevertheless, Chinese experts assumed that while India would be on strategic alert for China's raids on South Asia and the Indian Ocean, there was ample scope for coordination and cooperation on bilateral and multilateral issues. The only discrepant remark that crept into the Chinese story was the description of the BJP (Bharatiya Janata Party) as a "right-deviant" political party. Over time, the suspicions of the Chinese strategic community have turned to certainty.<sup>19</sup>

India's behavior is judged by two geopolitical events - China's BRI and the US-Pacific strategy. As for the BRI, China thinks it has tried to accommodate India by designing the format China and India plus One. According to China, India did not understand that the Chinese Silk Road Initiative is not intended to seek confrontation, but only to strengthen strategic stability in South Asia. As for the Indo-Pacific region, the Chinese government appears to have concluded that India's strategic goal is to frustrate China. Speaking in higher moral terms such as "Security and Growth for All in the Region" and "Indo-Pacific Vision," Beijing believes that India is denying its true intentions. The Chinese strategic community believes that the Modi government has abandoned its traditional isolationist position in the maritime region towards strategic coordination with America. Rong Ying, vice president of the Chinese Institute for International Studies, who is affiliated with the Chinese Ministry of Foreign Affairs, believes that Modi's goal is to portray India as a leading power and not just as a balancing force, even if it undermines China's interests and strategic trust between India and China.

---

<sup>19</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics.* Oxford University Press, Cambridge, 2020.

The link between the rise of Hindu nationalism as an obstacle to the development of India-China relations and the deterioration of relations since Modi became prime minister has taken root in China. At the same time, there was the overwhelming impression that Modi's doctrine created a beautiful vision, but that reality was slightly different from vision. Chinese scientists believe that India lags far behind China in all global indicators and that Modi's achievements are weak - social disparities, weak infrastructure and slowing economic growth. It is likely that this perception may have led the Chinese military to develop a more assertive stance on India along the LAC and may explain a series of incidents that have taken place since 2013.<sup>20</sup> Chinese analysts tend to reject Indian aspirations to become a major power as an exaggerated perception of their potential. From there, it is only an easy step for these experts to conclude that India will seek to fulfill its broader ambitions and agenda in the region and in the world through an alliance with China's strategic rivals.

India is constantly moving away from the memory of the hostility caused by the war in 1962, and today it is engaging constructively with China to build a stable and cooperative relationship. The then-famous Indian Prime Minister Rajiv Gandhi in December 1988 - the first such visit since the 1962 hostilities - was the first clear signal of India's readiness to end the stagnation and thaw the border issue that had immobilized Sino-Indian relations for almost three decades.<sup>21</sup> The visit was a milestone in raising the relationship to a qualitatively new level. It triggered a process of mutual engagement, marked by a greater sense of pragmatism and realistic expectations for both parties.

## *2.2. Towards Indo-Chinese cooperation*

The 1993 Line of Actual Control (LAC) Breakthrough Agreement was a groundbreaking commitment in terms of a clear commitment on the part of both countries to ensure a peaceful environment in the Sino-Indian border, although the differences between them remained a problem in the final resolution of the disputed

---

<sup>20</sup> **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability.* Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.

<sup>21</sup> **Kapur, A.:** *India and the South Asian Strategic Triangle.* Routledge, Londýn, 2010.

border. Both countries have since remained engaged in a stable and uninterrupted dialogue in order to find a just and rational solution to the worrying border issue. A military confidence-building agreement along the LAC in the Indo-Chinese border areas was signed in 1996. Subsequently, China and India took a number of confidence-building measures to avert the threat of any accidental confrontation. Measures to reduce troops on both sides, prior announcement of military exercises, regular meetings between local commanders and joint military exercises have been put in place to maintain peace along the borders. An important agreement on setting political parameters and guidelines for demarcation and demarcation of lines was signed in 2005 and calls on both parties to make meaningful and mutually acceptable adjustments to their respective positions and to give due consideration to each other's strategic and proportionate interests and reciprocity and equal security.

India and China have also moved to address mutual concerns about some sensitive bilateral issues. Following the then Indian Prime Minister Atal Bihari Vajpayee's visit to Sikkima in 2003, there was a visible easing of the two countries' access to the borders. This signaled their decision to re-establish their consulates-general in Shanghai and Mumbai and to restore the border crossing over the Nathu La Pass, which has long been an emotional challenge for both India and China. India has clearly accepted the Tibetan Autonomous Region (TAR) as an integral part of the territory of the People's Republic of China (PRC). It thus reaffirmed its commitment not to allow the Dalai Lama to engage in anti-Chinese political activities. In a similar vein, China has officially recognized India's sovereignty over Sikki, which has long been disputed. More significantly, China has shifted towards a softer position on Kashmir. By calling on Pakistan to respect the real border lines and resolve the dispute through negotiations rather than military action during the 1999 Kargil war, China has helped allay India's deep concerns on the Sino-Pakistan Agreement on its sensitive north-western borders.<sup>22</sup> Overall, all these measures have significantly reduced border tensions and created greater transparency and trust between the two countries.

---

<sup>22</sup> **Singh, A.:** *Hard Realities: India, Pakistan, China in an Emerging New World*. Lancer Publishers LLC, New York City, 2019.



India and China have also expanded multilateral bilateral cooperation in a number of areas, including trade, investment, agriculture, education, cultural heritage and tourism. After 2001, terrorism also emerged as a new area of cooperation between the two countries. While progress is being made in all areas, economic cooperation has become a dominant feature of the emerging Sino-Indian partnership. Despite the many obstacles that exist, both countries are constantly striving to diversify their trade profile and make full use of their current potential for complementarity. Bilateral trade between the two countries has seen remarkable growth over the past few years, reaching a staggering \$ 51.8 billion in 2008.<sup>23</sup> China has also overtaken the United States (USA) as India's largest trading partner. There is no doubt that economic cooperation, based on expanding trade, business and investment links, will perhaps remain the most positive factor in Sino-Indian engagement and the evolving partnership in the near future.

### *2.3. Security challenge for China, India and Pakistan: border settlement*

Given the fact that a stable and cooperative relationship framework has remained firmly in place over the years, it can be said with reasonable certainty that, unless there is an unfortunate turn of events, Sino-Indian relations will develop more or less evenly in the foreseeable future. At the same time, however, the complex overlap of geographical proximity and historical memories of the Sino-Indian strategic terrain will create strong undercurrents of competition and rivalry between the two Asian giants. China undoubtedly poses a major long-term, even primary, security challenge for India. While India has ample reason to draw comfort from its ever-expanding relations with China, it also remains aware of the vast reach of China's technological, military and nuclear capabilities beyond its borders. With its unquestionable energy potential, China's strong military and nuclear presence in Tibet, India is emerging on the strategic horizon. China has deployed medium-range missiles in Tibet, which are within reach of large Indian cities.

It is also working to massively build infrastructure to increase its ties with Tibet, keeping India vulnerable to its future proposals. In addition to the main Qinghai-Tibet

---

<sup>23</sup> **Kapur, A.:** *India and the South Asian Strategic Triangle*. Routledge, Londýn, 2010.

railway link and the 3,900 km Beijing-Lhasa railway link (which can later be extended to Xigaze, south of Lhasa and then to Yatung, near the Nathu La pass bordering India), China is involved in airport construction and road projects that connect most of its major cities with Tibet. Major highways such as Qinghai-Tibet (Central Highway), Sichuan-Tibet (Eastern Highway), Lhasa-Kashgar / Aksai Chin / Xinjiang (Western Highway) and Yunnan-Tibet Highway connect Tibet with the neighboring Sichuan Province, Yunnan, Qinghai and Xinjiang. The air connection is similarly strengthened through Gonggar Airport (connecting Lhasa with most other Chinese cities, including Beijing, Shanghai, Guangzhou and Chengdu). These developments raise serious concerns in India about China's intentions, especially given the fact that the border issue has yet to be resolved. As a shrewd observer of the scene aptly emphasized, "the unsettled border provides China with strategic leverage to keep India uncertain about its intentions and nervous about its capabilities, revealing India's weaknesses ..."<sup>24</sup>

It is important to note here that, regardless of India's readiness to cooperate with China without making border resolution a precondition for normalizing relations, the border dispute remains a major issue for India's long-term security prospects. There is no doubt that the Sino-Indian border has remained largely conflict-free since 1962. In addition, no one in the Indian Strategic Community believes that, given India's force configuration and significantly changed power status, China will repeat any adventurous actions against it, as it did in 1962. At the same time, India is well aware of the potential dangers of unresolved borders that can be used, as well as strategic leverage, or as a territorial dispute on the part of China, if it decides to do so in the future.

To recall briefly, the border dispute revolves around Aksai Chin in the 40,000 km<sup>2</sup> western sector and the Indian state of Arunachal Pradesh in the 92,000 km<sup>2</sup> eastern sector, making the Sino-Indian border one of the longest disputed borders in the world. India has refuted India's claim that the Sino-Indian border was legally binding on both<sup>25</sup> countries under existing treaties. China argued that the borders between the two

---

<sup>24</sup> **Clemens, A.:** *China Pakistan Economic Corridor Needs a Counter Strategy of India*. Alpha Editions, Marousi, 2018, page 28.

<sup>25</sup> **Ranjan, A.:** *The China-Pakistan Economic Corridor: India's Options*. The Institute of Chinese Studies, No. 10, May 2015.

countries had never been demarcated or demarcated, and that so-called "legal treaties" had been concluded, a legacy of British imperialism, which had been imposed unilaterally on China. The fact that China did not hesitate to support its claims with brutal force underlined its swift attack across the border in 1962, in which unsuspecting and surprised India was completely defeated by Chinese forces. At the moment of complete victory, China declared a unilateral ceasefire, withdrew from all territories, blocking the strategic area of Aksai Chin, which it occupied during a short but decisive war. At the same time, she warned India against harsh reprisals in the event of a ceasefire violation or crossing lines in any sector. The situation at the borders has not changed since then, and India has not taken any steps to cross the lines or to change the status quo.

Given China's prevailing balance of power and China's geostrategically advantageous position, India has little choice in accepting terrestrial reality. India has come to terms with the fact that China is "in the driver's seat" and it is China that will ultimately determine the pace of finding a negotiated settlement of the border dispute. China has shown a degree of pragmatism by not allowing divergent perceptions of national security to disrupt the ongoing dialogue. However, this does not detract from the fact that resolving the border issue is not a strategic priority or necessity for China, but a choice dictated by political expediency. China holds the initiative fully in its hands and has shown no great urgency to move towards a speedy settlement. Not surprisingly, despite the agreement on the specification of political parameters and guiding principles for the delimitation of the lines in 2005, no real progress has been made in defining them. On the contrary, China has tried to keep the issue open and has not hesitated to increase its contribution by regularly increasing its demands on Arunachal Pradesh, which has infuriated India. China has consistently refused to issue visas to Arunachal Pradesh officials on the grounds that, as the state is part of Chinese territory, it does not need any visas. At one point, she tried to gain a point even by protesting against the election campaign of Indian Prime Minister Manmohan Singh in the state. Last year, she brazenly tried to block funds from the Asian Development Bank (ADB) to India on the grounds that part of the money was to be used in Arunachal Pradesh.

China has also reacted sharply to the Dalai Lama's visit to Tawang (Arunachal Pradesh), which he declared part of India for the first time. This was of particular

concern to China, as Tawang is of special importance to Tibetans as the birthplace of the 6th Dalai Lama. The Dalai Lama's statement came at a time when massive protests against the Chinese government were taking place in Tibet. China has officially warned India to exercise restraint and not cause problems in the disputed area in order to ensure the healthy development of China-India relations. As a sharp reminder, she added that the two countries had never officially resolved the demarcation of their borders, and that China's position on the eastern sector of the Sino-Indian border was "consistent and clear." From its position, India reiterated that no matter what others had to say, "The position of the Government of India is that Arunachal Pradesh is part of India."<sup>26</sup>

India acknowledges that China's consistent retention against Arunachal Pradesh to increase pressure on India is by no means a consequence of its own vulnerability in Tibet. Her weak control over Tibet, even five decades after she moved her forces to the region, underscores her failure to achieve the declared goal of bringing Tibet firmly into her homeland. The overflowing riots and riots in the sensitive region continue to pose a deep challenge to China's central authority. The Dalai Lama's presence in India only increases his concerns and the difficult situation in Tibet. The growing international popularity and support of the Dalai Lama, who is also perceived by China as a separatist figure, is increasing her international embarrassment. India firmly claims that granting asylum to the Dalai Lama as a revered religious and cultural figure was a purely humanitarian decision in accordance with its democratic traditions. Mr Manmohan Singh's meeting with the Dalai Lama in August 2010 also confirms this point. Apart from the reassurance that it will not be able to indulge in any political activity on Indian soil, India has not given in to China's demand to limit the Dalai Lama's travels within the country or abroad. India realizes that it is not in a position to play the Tibetan card, given its limitations and China's extremely excellent ability and potential to tackle old problems at will and at the time it chooses. As for the rest, India wants to keep its options open. India is in no hurry to restrict the Dalai Lama's freedom or alleviate China's long-standing concerns about Tibet.

---

<sup>26</sup> **Singh, A.:** *Hard Realities: India, Pakistan, China in an Emerging New World*. Lancer Publishers LLC, New York City, 2019, s. 56.

India realizes that for China, as in the case of fifty years ago, the problem of borders is not only about territorial gains, but also about the erosion of India's prestige as a great power. China won the war in 1962, but liberated most of the territory only to expose India's vulnerability and effectively destroy its image in the region. To this extent, China's position on the issue of borders is a reminder of the fundamental volatility of Sino-Indian relations. In addition, it highlights the potential danger of the dispute escalating again in order to gain political sovereignty points that go beyond real territorial claims. The unresolved borders will thus continue to raise deep concerns in India in terms of its security and strategic relations with China.

India's concerns are compounded by the rapid modernization of China's military facilities. The celebration of the PRC's 60th anniversary focused on a massive demonstration of China's military strength and further revealed a widening gap in the two countries' military capabilities. According to one source, China's \$ 75 billion defense budget in 2009 was two and a half times that of \$ 30 billion in India. The PLA (People's Liberation Army) is the largest army in the world with a much higher proportion of men and artillery compared to India. In addition, the acquisition of sophisticated fighter jets, such as the J-11 and J-12, has significantly strengthened the Chinese air force at the expense of India.<sup>27</sup>

India remains the dominant power in South Asia in terms of its size, location and power potential. However, it is also aware of the need to transform the region through cooperation so that it can fulfill its long-term ambitions to play a significant role in global affairs. India is therefore interested not only in playing a key role in the region, but also in keeping it free from the presence and intervention of external powers. Aware of India's status as the most powerful South Asian nation, China has been reluctant to accept its undoubted place in the region. Its strategy to balance India's strength and influence in the region is therefore. tend to rise. India's security concerns regarding China's intrusion into its own space remain an integral part of India's regional security perspective.

---

<sup>27</sup> **Garlick, J.:** *Reconfiguring the China-Pakistan Economic Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities.* Routledge, London. 2021.

### 3. Chinese opportunity in the 21st century

The rise of China in one generation as a global player under the Communist Party of China (CPC) has become the embodiment of the reconfiguration of the power structure in East Asia and the wider world. Since Japan, under Emperor Meiji, became a world power in the second half of the 19th century (after 1868), there has been no other non-Western power with the potential to change world order than China today. As predicted by the U.S. intelligence community in 2009, China has a stronger impact on global geopolitics than any other country. China's rise is transforming the regional and global distribution of economic, political and military power. The recent notion is that there could be fundamental changes in the international order after the Cold War waged by the United States. Since 2008, the global financial crisis has led to a relative decline in the United States, while China has maintained strong economic growth. In 2010, this structural change coincided with discussions of a "more assertive China", as can be seen in issues such as human rights, arms sales to Taiwan, the Dalai Lama's visit to Washington and the appreciation of the Chinese currency<sup>28</sup>. Concerns are currently growing about the possibility of a conflict between the United States as an existing hegemonic power and China as an emerging competitor, in line with the arguments of the transfer of power theory.

The consequences of China's military rise and the changing balance of power in Asia are significant for India. As the United States is the main balancing power in the region, its decline has raised concerns in all of China's neighbors, including India. As China questions America's key position and military leadership in Asia, it would like to minimize its differences with neighboring countries, including India, and focus on the so-called new type of superpower relations. The only way forward for these two nations is therefore to build political momentum by increasing the economic cooperation and people-to-people contacts that will form the basis of future negotiations.

---

<sup>28</sup> **Clemens, A.:** *China Pakistan Economic Corridor Needs a Counter Strategy of India*. Alpha Editions, Marousi, 2018.

As India and China are geographically close, it is natural that there is a conflict of interest in different areas of resources, including water, energy and other environmental issues. However, disputes can be avoided if there is a mechanism to address these issues of common interest in a mutually acceptable manner. But so far, India and China are far from reaching any consensus, not even on defining the border line in the three sectors. Recently, a new proposal has emerged from the Chinese side to design a mechanism to manage border areas when troops cross the line of control. This may be intended to avoid a situation such as the stalemate between the PLA and India in March and April 2013 in the Ladakh region. While the military leadership was proactive on both sides of the border, the political leadership sought to alleviate the conflict factor in bilateral relations. Outgoing Prime Minister Manmohan Singh has been able to gain a reputation as a wise economist among the Chinese leadership and have built good relations with China's previous prime minister, Wen Jiabao.<sup>29</sup> Leaders in India and China have generally walked peacefully in their bilateral relations and have successfully avoided any major dispute at their borders.

The world has already accepted China's economic dominance, now is probably the time for China to assert its military superiority. We no longer complain about the quality of Chinese goods and the country has really improved and supplied better products. Whether the world is ready to accept China as another military superpower is still questionable. So far, opinion is divided both globally and within India. Well-known Indian military and strategic thinkers see China's rise as a challenge, but some politicians and diplomats in India have begun to see China as an opportunity. Corporations in India have always advocated economic engagement with China based on reciprocity, but bureaucrats at the Ministry of Commerce fear that Chinese goods will flood the Indian market. In the coming years, China will be more interested in South Asia than ever before in its history, not only because of geostrategic interests, but also because it is another region that will witness high economic growth after East Asia. China has invested in and supported a long-standing friendship with Pakistan in all circumstances, and now is the time to take advantage of it economically. Beijing's political engagement in the South Asia region has led to so-called "strategic

---

<sup>29</sup> **Farooq, U., Khawaja, A. S.:** *China-Pakistan Economic Corridor: Geo-political Implications, Regional Constraints and Benefits of CPEC.* South Asia Studies, A Research Journal of South Asian Studies, Vol. 34, No. 2, 2019.

partnerships" with several small states in the region. The intensification of Sino-Pakistani ties seems to support the neorealist perspective that Beijing uses trade, investment, development aid and diplomacy to balance India's regional and global dominance.

It is therefore clear that Chinese policy in South Asia or the expanded "Look West" policy will be based on its long-trying ally Pakistan. Indians are more than happy if China invests in Pakistan and helps it become a normal country. However, close military ties, along with the sale of nuclear technology to Pakistan, may be the main reason why India sees China as a threat. India would like to involve China in the region in a multilateral framework under the auspices of SAARC and other institutions. India therefore welcomed China's plan to establish the Bangladesh-China-India-Myanmar (BCIM) economic corridor, which came first during the Chinese Prime Minister's visit to New Delhi in May 2013. However, most of these initiatives were implemented in an effort to connect India's Northeast and Southwest. China and nothing significant has been achieved. Since the opening of the Nathu-La border in Sikkima in 2006, nothing significant has been done to promote border trade between India and China. The city of Kolkata and Kunming (K2 initiative) have initiated and conducted a number of dialogues to facilitate trade and development in the region. Prior to the launch of the "Maritime Silk Road", the Chinese leadership had launched its program to revive the ancient Silk Road, which begins in Xi An (the ancient capital of China), passes through Central Asian states and ends in Rome.

This was one of the main political initiatives of the new President Xi Jinping to revive the fate of the western region of China. In 2000, China launched the "Western Region Development (Xibu Kaifa)" policy, which did not deliver the expected results. The debate on regional disparities in China has intensified, causing minor minorities to be deeply dissatisfied with Beijing's development policy. On an even larger scale, the "New Silk Road" and the "Maritime Silk Road" represent complementary efforts to build trade and transport infrastructure between China and Central Asia. It is believed that reopening traditional trade routes would help reconcile the diverse interests of traditional Silk Road partners and help restore free trade and mobility of people, as well as intercultural and ideological ties.



### *3.1. China's growing role in India's neighborhood*

It is equally crucial for India to take into account China's efforts to expand its presence and influence the politics and security of other neighboring countries. Over the years, China has steadily increased its presence in South Asia and carefully established economic, political and military ties with the smaller countries of South Asia to find its own place in the region. India has concerns about China's undisguised efforts to limit its leadership and position in South Asia. On the one hand, India's geostrategic location and strength make it a necessary headquarters in the region. Paradoxically, however, India's extensive religious, linguistic and cultural affiliation with its neighbors has led to greater psychological distances between them. Increased concerns about the national identity and sovereignty of smaller South Asians have led to greater disagreements with their powerful neighbor, India. In this context, bilateral issues of water sharing, trade and transit facilities, ethnic transcendence and migration, and cross-border terrorism in recent years have taken on such a deeply emotional tinge that they continue to resist a rational solution. On the other hand, China comes without a paradigm of historical memories and bilateral disputes. More importantly, many of India's smaller neighbors see China as an effective counterweight to India's predominant power. This provides a comparative advantage in which China can use the prevailing anti-Indian sentiment to build its own bridges of friendship with these countries. Given these basic facts, China's gradual interference in India's traditional sphere of influence has long-term consequences for India's regional position, which India cannot ignore.

China has gradually built extensive military relations with Bangladesh and become its largest military supplier. In 2002, she signed a defense cooperation agreement with Bangladesh and assisted him in developing a missile launch pad near the port of Chittagong. The two countries have also signed an agreement on the peaceful use of nuclear energy. During Bangladeshi Prime Minister Sheikh Hasin's visit to China in March 2010, China agreed to help Bangladesh build a \$ 8.7 billion deep-sea port in Chittagong. The port can be used to gain access to the ports of Chittagong and Cox's Park, as well as to refuel for Chinese aircraft. China also wants to use the port as a passage to its southern province of Yunnan and, for the same reason, is pushing for the construction of a road link between Chittagong and Kunming (in Yunnan). In addition,

China is also constantly expanding its trade and economic cooperation with Sri Lanka, where it has overtaken Japan as the largest donor. The gradual reduction of aid and engagement by India following the weak human rights situation in Sri Lanka has left a void that China has quickly used to intensify relations with Sri Lanka. China has played an important role in rebuilding and rebuilding the northern and eastern provinces by modernizing facilities and infrastructure (roads, buildings and hospitals) in war-torn areas of the country. He is also actively cooperating with it in the field of oil exploration and port facilities in Hamburgh. Other major projects include the construction of a second international airport in Hamburgh, a \$ 855 million Norochcholai coal-fired power plant and a \$ 248 million expressway connecting Colombo to Katunayake.<sup>30</sup>

China has also built a stable political relationship with Nepal, which has always been willing to draw a Chinese card to match India. India remains particularly sensitive to China's invasions of Nepal due to its strategic location on the northern border with China. Chinese investment in infrastructure development in the Himalayan Kingdom has been extensive. He is currently working on the construction of a railway line connecting Lhasa, the capital of Tibet, with the Nepalese city of Khasa on the Sino-Nepalese border. It has also expanded Nepal's generous financial assistance and its annual assistance has increased by 50 percent. China's growing ties with Myanmar, which technically does not fall into South Asia but rests on India's sensitive eastern wing and shares borders with China, are also a matter of deep concern in India. In recent years, China has established extensive military links with major arms sales and infrastructure development in Myanmar. China remains Myanmar's largest donor in defense equipment and technical assistance. China has also helped build maritime bases, roads, waterways, and oil and gas pipelines linking Yunnan, its southernmost province, with Myanmar. China also assists in the establishment and development of radar and communications systems and refueling facilities in the ports of Hainggyi, Coco, Sittwe, Zadetkyi Kyun, Myeik and Kyaukphyu. In August 2010, two Chinese warships visited the port of Thilawa in Myanmar in an effort to strengthen military and naval exchanges between the two countries.

---

<sup>30</sup> Singh, A.: *Hard Realities: India, Pakistan, China in an Emerging New World*. Lancer Publishers LLC, New York City, 2019.

Closely linked to China's expanding military and economic presence in its immediate neighborhood is its relentless desire to secure energy resources in the region. China and India are currently one of the largest consumers of energy in the world, and as their needs grow, they must compete for control and access to markets and resources. India remains concerned about China's success in obtaining exploration rights for the development of gas deposits in Bangladesh, which previously rejected India's proposal to establish a tri-national gas pipeline between India, Bangladesh and Myanmar. China is also exploring and manufacturing gas pipelines connecting coastal platforms in Myanmar with Kunming in China. As many as 2,806 km of natural gas pipelines with a capacity of 1 billion cubic meters per year to Kunming were ready by 2013.<sup>31</sup> India, which is facing a huge energy crisis in the coming years, has not yet gained access to natural gas from Bangladesh or Myanmar.

That is why India, deeply aware that China's intrusion into its immediate neighborhood is violating its power base, has sought to repair its relations with its neighbors and has taken multilateral steps, even unilaterally, to strengthen its economic and political ties with those countries. India, which has relied on the pro-Indian government in Bangladesh for many years, has taken significant steps to engage with the Bangladeshi government on many issues. These include, but are not limited to, bilateral trade, financial assistance and terrorist cooperation. India recently extended a \$ 1 billion credit line with Bangladesh. The two countries are also developing land and sea transport links, including the use of the seaports of Mongla and Chittagong and the construction of the Akhuara-Agartala railway line. As in the case of Nepal, India has complied with Nepal's long-standing demand for a revision of the Indo-Nepal Peace and Friendship Treaty of 1950, which Nepal saw as a threat to its autonomy in foreign and defense affairs. It also sought to offset China's growing investment in Nepalese infrastructure by providing \$ 361 million to develop transportation links in the Terai region.

In recent years, Indian politics in Myanmar has also undergone a visible shift in relation to the military junta. After realizing that its deliberate distancing from the

---

<sup>31</sup> **Dittmer, L.:** *South Asia's Nuclear Security Dilemma: India, Pakistan, and China*. Routledge, London, 2015.

military government had helped China to consolidate its presence in the country at the expense of India, India has been working in recent years to improve its relations with Myanmar. It has taken several steps to favor Myanmar, as this territory remains important for India's strategic interests at its land borders as well as for its maritime security in the Indian Ocean. India's interests in Myanmar are scattered across a wide range of sectors, including telecommunications, energy, agriculture, industry, IT and education. In line with these priorities, India has taken a more active role in disbursing aid and building infrastructure. For example, it has provided a \$ 20 million loan to renovate the Thanlyan refinery and develop the port of Sittwe, and is working with Myanmar to explore oil and gas projects. It also helps build a transport corridor to connect the port with Mizoram via the Kaladan River. The visit of the High Representative of Myanmar, General Than Shwe, to New Delhi in July 2010 provided further impetus for improving relations between the two countries.<sup>32</sup> Although India attaches the highest priority to its "neighborhood diplomacy" in order to maintain its leading position in South Asia, there is no doubt that China's growing influence in its own court serves to increase India's long-term strategic and economic interests in its gigantic neighbor. More importantly, if China continues to put pressure on India, there is little chance that it will slow down in the foreseeable future in subtle competition between India and China in India's neighborhood.

### *1.1. The philosophy of the Chinese dream and its impact on the Asia-Pacific region*

To overcome its strategic dilemma, China has proactively responded by amassing its economic forces to avoid the geopolitical and geostrategic constraints it is likely to face in the foreseeable future. However, China responded to these possible ones by adopting the philosophy of a "Chinese dream" led by President Xi Jinping. This Chinese dream was clarified in the form of the One Belt initiative, One Road (OBOR), or rather the 21st Century Maritime Silk Road (MSR), which consists of six land corridors and various sea lanes (SLOC). Communication). This major initiative involves massive efforts to create economic and infrastructural networks across the

---

<sup>32</sup> **Clemens, A.:** *China Pakistan Economic Corridor Needs a Counter Strategy of India*. Alpha Editions, Marousi, 2018.

trade routes that fall within the Silk Road countries. The initiative benefits 60 countries by improving connectivity in the Asia-Pacific, Europe and Africa regions. To achieve this goal, China is spending \$ 1.4 billion to fund a diverse number of infrastructure projects. It also pledges to lend \$ 50 billion to the Asian Infrastructure Investment Bank (AIIB). To fund similar projects in Central Asia, China has funded an additional \$ 40 billion for infrastructure development goals. Similarly, to secure shorter access to the Indian Ocean, China is funding projects worth up to \$ 54 billion.<sup>33</sup> This significant effort is likely to enable China to overcome the dilemma of the Straits of Malacca. To ensure access to maritime routes, the country is building a network of ports from southern China to Southeast Asia, South Asia (Sri Lanka and Pakistan) and Africa.

Another important variable that needs attention is the acceptance of Pakistan and India as full members of the Shanghai Cooperation Organization (SCO). To this end, it is also important to take into account that the SCO Charter, under Article 2, commits and encourages its members to refrain from active military conflict, including the use of force against other states. As the Multilateral Forum has opened up to the two most important countries in South Asia, the other Member States, together with India and Pakistan, also have a sensitive responsibility to maintain the credibility and reputation of the multilateral organization itself. Given that the two new members have a history of military conflicts and deterrence doctrines, it is important to analyze the role and behavior of other Member States in shaping India's and Pakistan's mutual behavior so that they do not engage in violent military conflicts. The role of the SCO as a multilateral organization is also crucial in the context of a neoliberal perspective, which emphasizes cooperation between Member States and the renunciation of relative profits in favor of absolute profits. The same can be seen in the light of the expanding cooperation between Pakistan and China in the form of the CPEC, as well as China's economic and trade engagement with India.

On the other hand, in neorealism, the anarchic structure offers states opportunities to either resort to reliable self-help measures or to jointly examine security cooperation in order to maximize their security and power. China-Pakistan

---

<sup>33</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics*. Oxford University Press, Cambridge, 2020.

Economic Corridor (CPEC) concerns about mutual security for China and Pakistan in an anarchic geopolitical system require both countries to work together as allies in economic and security aspects to contribute to South Asia's strategic stability.

#### **4. India's maritime security: emerging challenges**

India, as a major peninsular power, surrounded on three sides by the sea, also has a vital interest in maritime security in the Indian Ocean, which it considers crucial to its security and trade. India has a clear interest not only in playing an active role in the region as a leading naval power, but also in protecting its strategic and economic interests by protecting the Indian Ocean from any potentially hostile dominance of other powers. Over the years, India has expanded its maritime influence and stood up to play a key role in the region by modernizing its naval capabilities and conducting naval exercises with other powers in the region. With its ambitions to play a leading role in the region, India is increasingly finding that its interests intersect with China. He is particularly concerned about China's search for ports and military installations in various places, from the South China Sea to the Indian Ocean and the Arabian Gulf, in order to strengthen its geopolitical and maritime status. China says its "pearl string" strategy aims to protect maritime communications lines in order to secure vital energy supplies.<sup>34</sup> However, India sees the strategy not only in significantly strengthening China's maritime capabilities in a region where India has vital strategic, geopolitical, economic and energy interests, but also in encircling India across its maritime borders.

China's search for maritime bases and facilities in Bangladesh, Myanmar, Sri Lanka, the Maldives and Pakistan has surrounded India on virtually every side, with long-term consequences for its maritime security. India, in turn, has sought to support its maritime projections by organizing regular maritime exercises with the United States, Japan, Australia and Singapore near the Andaman Islands, near the Cocos Islands and near the strategic Strait of Malacca. China has openly criticized the exercises as an attempt to limit its influence in a region where it has significant security concerns with Taiwan, the United States and Japan. India's growing strategic

---

<sup>34</sup> **Carroll, Z.:** *Pakistan-China: Strategic Encirclement of India's Core Interests*. Alpha Editions, Marousi, 2018.

relationship with Japan and the United States is of particular concern to China, which considers both countries to be its strongest rivals in the region. India is constantly building strong economic and defense relations with Japan. The Japan-India Strategic and Global Partnership Agreement of 2006 has further strengthened ties and created a new framework for closer cooperation between the two countries in the future. Although India does not translate its ties with Japan into an anti-Chinese construct, it remains fully aware of the fact that Japan, as China's historic rival, has a vested interest in a regional balance of power that does not favor China to the detriment of Japan. As several have noted, India's move toward a quadrilateral "axis of democracy" with America, Australia and Japan, although not formulated openly against China, has its own element of Chinese detention. Although the strategy has waned somewhat since Australia's public announcement that it did not intend to take part in any anti-Chinese exercise, China remains wary of active Indian participation in a region it traditionally considers its sphere of influence.

#### *4.1. India's engagement in South East Asia: competitive dynamics*

India is also actively engaged in Southeast Asia, a strategically important region for India's maritime and economic interests. During the Cold War, India decided to stay on the sidelines and allowed its interaction with the region to fall into a state of benign neglect. The end of the Cold War and the changed geopolitical regional dynamics have led India to take several steps towards more constructive cooperation with ASEAN countries.<sup>35</sup> India's Look East Policy (LEP) signaled India's desire to encourage the revitalization of its economic and political interaction with the ASEAN region. Given India's rapidly evolving technological and economic capabilities, the ASEAN countries considered it useful to work with India to reap the benefits of extensive economic and technological interconnections. Over the years, India has developed strong economic ties with most ASEAN countries. Singapore, Malaysia and Thailand have already proved to be important trade and investment partners for India.

---

<sup>35</sup> **Clemens, A.:** *China Pakistan Economic Corridor Needs a Counter Strategy of India*. Alpha Editions, Marousi, 2018.

Crucially, India is constantly expanding its strategic presence in the region. In 1995, it became a partner for the ASEAN Dialogue, in 1996 a member of the ASEAN Regional Forum (ARF) and in 2003 and 2009 a signatory to the ASEAN Friendship and Cooperation Agreement and the Free Trade Agreement (FTA) with ASEAN. Over the years, India has built strong defense and maritime relations with Malaysia, Singapore, Indonesia and Vietnam. It has a significant strategic relationship with Singapore, with which it signed the Defense Cooperation Agreement in 1993, and a year later the India-Singapore dialogue was inaugurated. India also signed a defense agreement with Indonesia in 2007. In 2000, India signed a defense pact with Vietnam and is organizing joint naval exercises as part of a new strategic partnership<sup>36</sup>. India is also helping Vietnam significantly increase its naval and air power. It is promoting a naval base in Cam Ranh Bay that would significantly improve its maritime capabilities in the strategic region.

Southeast Asia lies at the crossroads of South Asia and East Asia, which India and China have traditionally seen as their respective spheres of influence. China is an ardent player in the ASEAN region for historical reasons, given the existence of the Great Chinese Diaspora, trade and investment links and the protection of its maritime interests. Most countries in Southeast Asia also look at it with some degree of concern about its territorial claims to the disputed islands in the South China Sea. India, on the other hand, has the advantage of not having any historical memories or bad experiences with bilateral disputes in the region. Over the last decade, India has gradually established itself as a key player in Southeast Asia, with many people in the region perceiving it as a balance against China. There is no doubt that ASEAN countries will have some interest in maintaining a geopolitical balance of power between India and China in order to maximize their economic strength and security. This could lead to peaceful competition between China and India to expand their geopolitical influence and maritime capabilities in the region.

---

<sup>36</sup> **Dittmer, L.:** *South Asia's Nuclear Security Dilemma: India, Pakistan, and China*. Routledge, London, 2015



#### 4.2. *The main obstacles to improving Sino-Indian relations*

Due to the relatively negative perception of China, it is difficult for Chinese companies to penetrate the Indian market. The Indian bureaucracy remains the main obstacle to doing business in India. The new government must make it easier for Chinese companies to do business as a matter of priority and reduce the interference of several government structures in approving their projects. Obtaining visas has always been a nightmare for them. The tourism industry would benefit most from visa liberalization. Millions of Chinese Buddhist pilgrims consider India to be the birthplace of Buddha Shakyamuni and once in a lifetime they would like to travel to this holy land. But due to inadequate infrastructure in the Buddhist sector, they were unable to attract them. For the government, this could be a priority sector for creating millions of jobs in the poorest region of Bihar, Uttar Pradesh.

Despite the mutual mistrust that prevails between them, Chinese and Indian companies are making significant cross-border investments. More than forty Chinese state-owned companies have opened offices in India and plan to bid for major infrastructure projects. India is already a major target for Chinese supplies of construction equipment and electrical appliances. According to sources from the Indian Embassy in Beijing, by 2013, projects worth more than 70 billion had been implemented in India, in which these Chinese companies participated. In most Indian project requirements, Indians have intentionally or unintentionally become dependent on Chinese suppliers. If you ask Indian managers and corporations, they are honest enough to accept the fact that only Chinese producers can deliver a specific quantity at a price available to Indian buyers in a limited time.<sup>37</sup>

When it comes to their investments in India, many Chinese companies, which see the South Asian giant as a promising source of growth, often spoil their hopes as they face bureaucracy and mistrust fueled by rivalry between the two nations. India and China are ideally suited to cooperate economically over the long term, but due to the burden of past disputes and unresolved border issues, this relationship is not working

---

<sup>37</sup> **Pal, D.:** *China's Influence in South Asia. Vulnerabilities and Resilience in Four Countries.* Carnegie Endowment for International Peace, Washington, DC, 2021.

well. The two economic giants have great potential to trade with each other and bring mutual prosperity and quality of life to their middle classes, but due to a certain self-interest and economic miscalculations, trade barriers have not yet been removed. On the contrary, bilateral trade is declining and trade-related disputes are growing at an alarming rate. China and India have repeatedly committed themselves to attracting investment on various platforms (such as the BRICS), but the reality of mutual investment and business in the two countries is very negative. One of the main attractions for Indians will be the growing demand of technology for Chinese technology companies.

According to industry estimates, China requires thousands of Indian engineers to work for their start-up technology companies. India's story as a center of outsourcing in a knowledge-intensive industry is well known in China. The country is considered a successful model for imitating it in China. City governments in Shanghai, Hangzhou, Chengdu and Dalian have adopted special policies to attract Indian IT companies and technicians. China is ready to learn from India's experience in this sector and wants significant cooperation with Bangalore. The city of Chengdu has signed an agreement with its sister city Bangalore to strengthen cooperation in the IT sector. Indian company Infosys has invested more than \$ 100 million in the construction of business development centers in southern China. At the same time, the Chinese Huawei has built a research and development center in Bangalore.

There are many other similar investments. The aim of the Xinjiang regime is to restructure the Chinese economy from industry-oriented services to services. To this end, China is investing a large amount of money in the high-tech sector. The previous Hu Jintao regime has set itself the goal of becoming an innovative nation by 2020. India is also the right time to reap its population gains. India has the largest stock of technical and management holders, and if they are willing to adapt to the Chinese environment, this is a great job opportunity for them. The growth rate of China's population will continue to decline in the future and China's population will shrink. Its workforce is also declining and China will lose its competitive advantage in this area. The population will age and turn gray. China has recognized this challenge and has already relaxed a

one-child policy in selected cities in Beijing and Shanghai.<sup>38</sup> The young Indian generation can take advantage of the Chinese opportunity and even learn a little Mandarin to make it easy to negotiate with Chinese companies and their working cultures

#### *4.3. Security risks in the South China Sea and the Indian Ocean*

South Asia's nuclear dilemma has entered an unexplored and unpredictable path. The changing geopolitical scheme has increased security risks between India and Pakistan, competing with nuclear energy. India saw a cordial agreement between China and Pakistan as a strategic circumference of its power. Through an agreement with Pakistan, China is expanding its imperial influence in the Indian Ocean and compensating for India's dream of becoming a key power in the Indian Ocean region. The Chinese footprint in the port of Gwadar and its growing influence in the Indian Ocean have added a new dimension to the strategic rivalry between India and Pakistan. Robert D. Kaplan said that as technology shrank geography, the world became claustrophobic and more anxious.<sup>39</sup> Connectivity gives impetus to wars; and conflicts in one geographical region will easily spread to other regions. According to him, the world has become a web, and if you tick one string, the whole net is vibrating. India's recent historic move to repeal the autonomous status of Kashmir by repealing Article 370 seems to be a response to the overall changing geopolitical environment of South Asia.

The Indian Ocean is of great geopolitical importance to the great powers and “reveals the contours of power politics in the 21st century. The rise of China posed a serious security challenge not only for Indian hegemony in the Indian Ocean, but also for the United States. The Chinese revived the ambitions of the Ming Dynasty in the Indian Ocean. Control of the Indian Ocean will help China become a powerful Indo-Pacific power. China is evolving into a grandiose empire, but the Chinese have denied it. They are building ports and naval bases across the Indian Ocean in Myanmar, Sri Lanka, Bangladesh, Pakistan and Djibouti. The strategic port of Gwadar will help China

---

<sup>38</sup> **Gokhale, V.:** *The Road from Galwan: The Future of India-China Relations*. Carnegie Endowment for International Peace, Washington, DC, 2021.

<sup>39</sup> **Kapur, A.:** *India and the South Asian Strategic Triangle*. Routledge, Londýn, 2010.

assert power in the western Indian Ocean. It will be a crucial place for China to start as a naval power, extending its reach from the Indian Ocean to the Persian Gulf and the Mediterranean. The port of Gwadar will be key for the Chinese empire to counterbalance the US and Indian naval powers. China could monitor maritime activities at a critical point in the Strait of Hormuz. In the long run, this will make China a hegemonic power in the Persian Gulf. However, according to Chinese statements, Gwadar is by no means a trump card for China, either in terms of energy security or military. China has a deep strategic interest in the western Indian Ocean to better protect its maritime interests. That is why China is expanding its military influence to the West.

India feels a strategic encirclement by the Chinese naval force. The emerging Pakistan-China link in the Indian Ocean and regular joint maritime exercises may limit India's influence in the Arabian Sea in the future. New Delhi has built the port of Chah Bahar in Iran near the narrow points of the Strait of Hormuz in order to face China and Pakistan on the west coast. India is seeking to connect hydrocarbon-rich Central Asia and Afghanistan with the Indian Ocean via the port of Chah Bahar. To this end, it has built transit corridors in Iran and Afghanistan. Both the ports of Gwadar and Chah Bahar can one day be connected by oil, gas and gas-rich Central Asian countries by rail, rail and pipeline. Since the time of the British Empire, India has given great strategic value to the maritime routes on the western shores. The presence of Chinese vessels in the port of Gwadar will affect the dynamics of energy in the Arabian Sea and promote security competition between India and China. The port of Gwadar will thus be a challenge to India's maritime influence in the Indian Ocean. China is taking advantage of a very emotional and volatile rivalry between Pakistan and India. Pakistan opposed India as a superpower status quo. China uses Pakistan as a strategic tool against its peer competitor India. China considered India a strategic rival, and since 1963 it has firmly allied itself with Pakistan to face and control the common enemy. The China-Pakistan Strategic Agreement included India in a geopolitical sense. Through Pakistan, China would better compensate for "India's inclination to work with Russia" on Afghanistan and Central Asia.

The strategic relations between Pakistan and China and the ambitious CPEC project have also raised US strategic concerns. The US considers the Persian Gulf to be strategically important and will face China on the west coast. The Strait of Hormuz has

already seen a growing escalation between the United States and Iran, as Iran has recently disrupted sea lanes by attacking oil tankers. US Secretary of Defense James Mattis has objected to the CPEC as it passes through the disputed territories. He warned that "there are areas where we have to face China strategically, where we think the direction they are taking is unproductive."<sup>40</sup> Washington has expressed serious concern in the Pentagon's report on China's military development. According to the report, China is building military bases in Pakistan. It is true that Pakistan has bought eight submarines from China worth \$ 3 billion. The US looks at the CPEC from a strategic perspective and sees it as a problematic geopolitical development, as it would help China's strategic competitor expand its influence in South Asia, Central Asia and the Indian Ocean. This is why the US CPEC is closely monitored for geopolitical reasons. In the words of Seigfried O. Wolf, "both the BRI and the CPEC represent China's vision of creating comprehensive economic, political and cultural networks to promote multidimensional interconnections between participating countries and reflect the US-India influence in the Asia-Pacific region."<sup>41</sup>

Pakistan has entered a new Cold War and has joined a Chinese camp against the US-India Strategic Alliance. How the CPEC project and the trip to Gwadar will affect Pakistan-US relations and its impact on security conditions in South Asia can be better understood by looking critically at the ongoing Sino-US Cold War. The US is determined to limit China's growing power to prevent its rise as a regional hegemon. Washington and Beijing are engaged in intense security competition that led to a new Cold War. Overall rivalry with China is becoming an organizational principle of American economic, foreign and security policy. The United States treats China in a style similar to that of the USSR during the Cold War. China is determined to eliminate United States power in the Western Pacific to become a true hegemonic power in the South and East China Seas. China's military modernization has become a serious security issue for the United States and India. Chinese hypersonic gliders, secret planes, submarines and anti-ship missiles are a huge challenge for the US Navy in the Western Pacific. China does not need a huge navy to face US hegemony, but "is building a very

---

<sup>40</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics*. Oxford University Press, Cambridge, 2020.

<sup>41</sup> **Mohan, C. R.:** *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific*. Brookings Institution Press, Washington, DC, 2012, s. 92.

different kind of" anti-naval "navy that is designed to keep US air and naval forces out of the Western Pacific. China is seeking full control of the South China Sea in order to gain better strategic control of the Indian Ocean, as the South China Sea is connected to the Indian Ocean via the Straits of Malacca, Sunda and Lombok. The United States certainly sees China's presence on the west coast of the Indian Ocean as a security threat to its naval power in the Indian Ocean.

The Indian Ocean will ultimately pose a security threat to the United States in the Western Pacific. Given its rich geopolitical importance, China has long been interested in the port of Gwadar and wants to build a "fortress for Chinese trade and military operations."<sup>42</sup> Through Gwadar, China would monitor maritime activities along the Strait of Hormuz, which could encourage security threats in the form of the US Navy's presence in the region. Like the United States, India sees China's growing presence on the west coast of the Indian Ocean as a security threat to its geostrategic interests. According to Indian strategic thinkers, Pakistan is determined to provide China with military bases along the Indian Ocean coast. The Strategic Naval Bases will perform a number of functions from hosting the PLA navy to Chinese satellite tracking. This essentially further threatens India's Monroe Doctrine. As India feels surrounded, it is pushing hard to increase its influence in the Indian Ocean. In particular, it pays close attention to what is happening in the Indian Ocean. To meet the growing Chinese presence in the Indian Ocean, New Delhi has promised to build 200 nuclear-powered naval ships and submarines by 2027. Indian warships deployed in the South China Sea and Chinese warships maneuvered across the Indian Ocean.

There is now a new strategic geography of rivalry between China and India. India has noisily objected to the CPEC project, claiming that it is crossing the disputed territories. India considers the CPEC a violation of its national sovereignty. India looks at the CPEC from a strategic perspective. China and India have border disputes and waged a brief war on it in 1962. The disputed territories in the Himalayan region of Aksai Chin and Ladakh still remained a source of dispute between the great powers. They inherited the legacy of the disputed borders from the great game of the imperial

---

<sup>42</sup> **Wolf, Ch.:** *Puzzles, Paradoxes, Controversies, and the Global Economy*. Hoover Press, Washington, DC, 2015, s. 85.

powers of Russia and Britain. India thinks the CPEC will strengthen China's control over the disputed regions. As for India, a trip to the Indian Ocean via the CPEC will help China make strategic gains in the Himalayas. The CPEC will thus increase the strategic rivalry between India and China in the near future. Strategic competition over the Indian Ocean and overlapping maritime areas of interest are compounding the outstanding border disputes in the northern Himalayas.

## **5. The Sino-Pakistan Agreement: Strategic concerns**

The Sino-Pakistan Alliance, firmly entrenched in the anti-Indian construction, was one of the most complicated factors in India's regional security issues. The friendship between China and Pakistan has lasted, mainly because it has proved very rare for both countries to pursue their common goal of keeping India under control. China has a clear interest in building Pakistan as an effective counterpart to India, undermining its wider role in the region and preventing its global ambitions. On the other hand, close defense cooperation with China has not only strengthened Pakistan's defense and nuclear capabilities in proportion to its strength, but has also enabled it to stand up to India and keep it stuck in the subcontinental region. Beijing remains Islamabad's largest donor in terms of defense and technology sales. Between 1978 and 2008, \$ 7 billion worth of equipment was sold to Pakistan, including ballistic missiles, small arms and conventional combat weapons systems. Beijing recently approved the sale of 36 sophisticated J-10 fighter jets and two F22P frigates to Pakistan. Over the years, it has also assisted Pakistan in the production of advanced JF-17 Thunder multi-role combat aircraft, advanced training aircraft such as the K-8 Karakorum, Al Khalid tanks, Babur missiles and AWACS (Airborne Warning and Control System).<sup>43</sup> In addition, the potential impact of Sino-Pakistan nuclear cooperation on its long-term strategic interests is a major concern for India. Apparently significant Chinese aid to Pakistan's nuclear program was crucial to its emergence as a nuclear power in 1998. As is widely reported, China began providing nuclear aid to Pakistan in the early 1980s after the Soviet invasion of Afghanistan.

---

<sup>43</sup> **Safdar, M. T.:** *The Local Roots of Chinese Engagement in Pakistan*. Carnegie Endowment for International Peace, Washington, DC, 2021.

Subsequently, China provided significant assistance in the development of Pakistan's ballistic missile program, including the Shaheen 1 and Shaheen 2 and Ghauri 1 and Ghauri 2 short- and medium-range ballistic missiles. ) and the Comprehensive Test Ban Treaty (CTBT) in 1992 and 1996, China allegedly continued to provide nuclear assistance and missile technology to Pakistan, even though it threatened to breach its contractual obligations. For example, in 1994, China is believed to have sold unprotected ring magnets to Pakistan, which were used in uranium enrichment gas centrifuges. Pakistan's nuclear bomb is therefore allegedly based on Chinese plans. China has also played an important role in assisting Pakistan in setting up the Chashma I and Chashma II civilian nuclear power plants. China recently announced the sale of two nuclear reactors to Pakistan, but has also reassured India that its civilian nuclear cooperation with Pakistan will be in line with its international commitments.

With Pakistan pursuing a secret nuclear weapons program, there are concerns in India about diversion of technology for civilian nuclear weapons for military use. India's mention of China as a primary threat and its nuclear support to Pakistan as a major factor supporting its test trials in 1998 clearly underlined India's serious concerns about China-Pakistan nuclear cooperation. In a 1998 letter to US President Bill Clinton, Indian Prime Minister A.B. The Vajpayee justified India's tests by saying that China was an "open state with nuclear weapons on our border, a state that committed armed aggression against India in 1962. Although our relations with the country have improved in the last decade, the climate of mistrust persists mainly due to unresolved border problem"<sup>44</sup>. He also pointed to the material aid that the state provided to India's "other neighbor" to become a state with secret nuclear weapons.

Expectations in some areas that China's slight shift in Kashmir's position - maintaining neutrality in the Kargil war - would lead to a more balanced approach towards Pakistan have also been largely disputed. According to some scientists, the moderate attitude towards Kashmir was a reflection of its fears of possible jihadist violence in its own territories in Xinjiang. Ethnic tensions remain frustrating for China, but Pakistan has taken several steps - military and intelligence support and joint

---

<sup>44</sup> **Mohan, C. R.:** *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific*. Brookings Institution Press, Washington, DC, 2012, page 84.



counter-terrorism exercises - to allay China's concerns in this regard, in order to prevent any decline in its future relations. Quite clearly, unless Pakistan succumbs to even more chaos and Islamabad completely fails to control the harmful consequences of the rising influx of militant Islamic terrorists for Beijing, Sino-Pakistani relations are unlikely to fluctuate. Any major change in China's calculation to favor Pakistan as a useful counterweight to India's growing power is clearly not planned in the near future. As the analyst argued, "Pakistan is the only country opposed to India, thus defending Indian hegemony over the region, thus meeting the key objectives of China's South Asian policy." More importantly, Pakistan is a credible ally that will prevent India from becoming an independent center of power outside the subcontinental balance. Especially given the growing Indo-American strategic partnership, which China sees as a fight against its growing power and influence in the region. Given that China will not reduce its support for Pakistan in the near future, it is clear that India will need to continue to closely monitor the Sino-Pakistan Alliance as a fact in its long-standing regional security concerns.

## **6. India, the United States and China: the emerging balance of clusters**

As India continues to rise to establish itself as a key regional power, it must engage in a global environment as an autonomous center of power with its own regional agenda and global priorities. It will also continue its efforts to find its rightful place in the global community through strategic dialogue and partnership with other centers of power, in particular the United States. The United States is currently the only power with economic and military capabilities to intervene in a wide range of issues affecting India's national strategic interests. Aware of India's growing economic strength and regional influence, the United States has shown a greater willingness to deal with India. In 2005, US President George W. Bush identified India as a natural partner and publicly assured it of US support for its rise as a superpower. A major Indo-US nuclear agreement was signed in 2006, announcing a new chapter of mutual trust and goodwill between the two countries.

In addition to the continuous supply of nuclear fuel to upgrade its civilian facilities, India was informally admitted to the nuclear club without having to formally sign the NPT. Significantly, Pakistan, a longtime ally, was out of the question for a

similar deal, signaling India's rise as an independent center of power in South Asia after years of bearing the worrying burden of Indo-Pakistani parity. The fact that the dynamics of the India-US strategic partnership were irreversible, despite changes in the US administration, was highlighted by US President Barack Obama, who reiterated that “deepening our cooperation with 21st century centers of influence is - and that includes India.”<sup>45</sup>

India-US cooperation is also supported by strong defense ties and a strong economic relationship with India-US trade, which rose from \$ 26,807.80 million in 2005-2006 to \$ 36,509.17 million in 2009-2010. The US-India Strategic Dialogue in June 2010 was a strong reflection of the progress made by the two countries on leading issues in security, counter-terrorism, nuclear disarmament, trade, technology, energy security, science and technology, and education. India is currently not ranked too high on China's strategic radar. However, she is still very aware of India's potential challenge. This confirms its continued opposition to India's bid for permanent membership of the UN Security Council. China has also resisted India's international, albeit informal, approval as a nuclear power since the India-US nuclear deal. It is also uneasy to see India's stable strategic engagement with the world's major powers, especially the United States, which could increase its power capabilities and influence beyond its shores, and acts as China's main rival in Asia and beyond.

It is therefore not surprising that China tends to perceive the intensification of Indo-US relations with some concerns as a potential threat to its position in the region. According to the Chinese scientist, “unlike the US, which fears the rise of China and not the rise of India, China is most concerned about how to prevent US-Indian relations from becoming a formal alliance in South Asia.”<sup>46</sup> China is reluctant to make any public statements against improving India-US relations for its own strategic reasons, as China would not want to risk upsetting the US, potentially having a detrimental effect on Sino-US relations. China and the US already have security concerns and deep-rooted suspicions. The US is clearly concerned about China's rapidly modernizing military

---

<sup>45</sup> **Singh, A.:** *Hard Realities: India, Pakistan, China in an Emerging New World*. Lancer Publishers LLC, New York City, 2019, page 109.

<sup>46</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics*. Oxford University Press, Cambridge, 2020, page 45.

capabilities, human and intellectual property rights violations, and trade balance issues. China is dissatisfied with US arms sales to Taiwan, politicization of human rights issues and US pressure to devalue the yuan. Nevertheless, both countries are cooperating on several fronts. In their bilateral discussions, the two countries are cooperating more closely on global issues such as trafficking in human beings and drugs, climate change, the fight against terrorism and nuclear proliferation. These are problems that China or the United States cannot solve individually, as they are global in nature and any solution will require joint action. Similarly, despite differences in trade issues, the economies of the two countries are highly interdependent. China holds 70 percent of its \$ 2 billion foreign exchange reserves, including \$ 740 billion in government bonds, and the two countries have strong trade ties. Therefore, it is difficult for them to ignore each other. It must be reiterated that the Sino-Pakistan-US alliance was an important feature of South Asia's strategic space for India.

China and the United States remain key external players who, individually and collectively, have played an important role in shaping India's security dynamics in South Asia in the past. There is no doubt that, as long as India remains wary of China's predominant force beyond its borders and its intervening role in South Asia, it will be useful for it to examine any relationship that gives it some influence and diplomatic maneuverability in trading with a powerful neighbor whose future intentions remain uncertain at best. Given the United States' long-term interests in curbing China's growing power, it is essential that there be strategic convergence between India and the United States, which have a common interest in controlling China's strength in the region. Nevertheless, it is important to keep in mind that India has the experience of being a follower and no doubt that it will seek to maintain its own autonomy and initiative towards China. India is unlikely to rock the search for normalization with China, or be seen as inextricably linked to the overarching global US strategy. According to experts (Small, 2020, Chandra, 2016, Singh, 2019), “the best insurance against assertive Chinese power [for India] is not to participate in any developing anti-Chinese alliance, but rather to become a strong and independent center of power. on the Chinese periphery ’. To this extent, Indo-US relations may remain irritating for China, but they will not significantly change India's efforts to keep Sino-Indian relations at the same level.

## **7. Pakistan and India's military and nuclear doctrines: implications for strategic stability in South Asia**

CPEC studies have mostly focused on examining its geoeconomic, regional and non-regional geopolitical and geostrategic implications. The absence of a clearly defined and formulated nuclear doctrine allows Pakistan to retain an element of ambiguity and flexibility to strengthen deterrence against India. In providing a flexible response, Pakistan's unofficial nuclear position reserves the possibility of first use, especially due to its conventional military asymmetry towards India. However, India's investment in building ballistic missile defense (BMDT) technology deserves attention. Improper reliance on part of the Indian military on BMD's capabilities may allow it to implement its CSD offensive-defense doctrine.<sup>47</sup> Such military action could further worsen Pakistan's strategic calculation if the Indian military and political leadership imposed sanctions on the preventive first use of nuclear weapons (under the pretext of a flexible stance) during an escalating crisis. India could find a stimulus in offensive military action against Pakistan, especially when it could perceive a balance of power in its favor by balancing the existing strategic balance in South Asia. Against the background of these evolving models, which may jeopardize the existing balance of power between the two countries, one of the dynamics that requires serious attention is the CPEC and the impact that is likely to have on South Asia's strategic stability.

### *7.1. India-Pakistan rivalry in the core age*

The CPEC has strengthened security competition in South Asia and its ultimate consequences will be deeply felt in India-Pakistan relations, which have already reached a new level. The Cold War turned into a dangerous turnaround in South Asia as it took place in the shadow of nuclear weapons. Both countries switched to nuclear power in May 1998, but nuclear weapons failed to deter either of them from waging limited wars, cross-border terrorism and proxy wars. The pulwam attack on February 14, 2019 in the Indian detention of Kashmir on a military convoy that cost the lives of 40 soldiers was the best case of security vulnerability in South Asia. India saw this as

---

<sup>47</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics.* Oxford University Press, Cambridge, 2020.

an attack on its sovereignty in the madness of hypernationalism. New Delhi has accused Pakistan of this terrorism without providing any evidence. In retaliation, India sent jet fighters equipped with 1,000 lb bombs to the heart of Pakistan and attacked selected targets. Indian planes appeared to have reached 100 km from the capital Islamabad without being detained. Given the long history of cross-border raids, cross-border terrorism and acute border disputes between the two countries since 1947, cross-border terrorism would become a recurring fact in the future. The Hindu nationalist regime sees Pakistan as "less than a strategic adversary, but a threat to civilization."<sup>48</sup>

The Modi regime's recent historic step to abolish the autonomous status of Kashmir seemed to be a response to the changing geopolitical environment of South Asia. In fact, China's deep engagement in Pakistan through the CPEC has provoked India to take geopolitical risks. India has claimed that the CPEC violates the autonomous status of the disputed territories of Kashmir and Gilgit Baltistan. The abolition of India's special status for Kashmir would give impetus to militant representatives in Kashmir. Terrorist attacks by non-state actors would give way to a cross-border raid between nuclear-weapon states. The second nuclear age is turning towards a dangerous path and two factors make it volatile - nationalism and terrorism. The nuclear decision in the second nuclear age will be influenced by the masses and their passion. The terrorist act will encourage states to overreact to calm general sentiments. In the second nuclear age, it is better to think of terrorists as a catalyst for escalation. Pakistani strategic thinkers and military generals believe this. India waged a hybrid war to sabotage the CPEC project. Ethnic uprisings, revolts, whether in Balochistan or the former Federal Administrative Tribal Areas (FATA), are mentioned as a result of the new Cold War and India's determination to incite a crisis in Pakistan. The CPEC could face resistance from militants from poorly controlled and ignored areas of Pakistan, such as FATA, South Punjab and Balochistan. Terrorist and jihadist groups could exploit poorly managed marginalized areas for proxy wars. The CPEC will further revive regionalism and incite separatist movements in Pakistan. For China, the success of the CPEC project and the dream of connecting with the Arabian Sea depend on peace in Pakistan in general and not only in Balochistan.

---

<sup>48</sup> **Ranjan, A.:** *The China-Pakistan Economic Corridor: India's Options.* The Institute of Chinese Studies, No. 10, May 2015, page 73.

## 8. CPEC and crisis stability in South Asia

Strategic stability allegedly exists when there is a balance of power between the two adversaries and is complemented by nuclear deterrence, and the adversary is therefore prevented from starting an armed conflict. Strategic stability consists of various components, including deterrent stability, crisis stability, and arms race stability. Describing other components of strategic stability and crisis stability, Zafar N. Jaspal says that "neither side perceives an advantage in the escalation of violence in the crisis."<sup>49</sup> seeks to understand the impact of the ongoing China-Pakistan CPEC engagement on crisis stability in South Asia.

Under the CPEC, China has invested \$ 46 billion in various sectors in Pakistan, notably highways and railways, energy, telecommunications, stock exchanges, agriculture to access the Indian Ocean and provide connections to its eastern province of Xinjiang. Cumulative investments have recently been recorded at \$ 55 billion. The development is planned for 15 years, with many of the projects to be completed in three phases. Land transport infrastructure is one of the primary areas of interest, which includes the development of a network of motorways and railways along the eastern and western corridors. The combination of dual-parallel rail and highway networks in Pakistan is an attempt to exploit its eternal dilemma of lack of strategic depth. The risk-sharing approach to infrastructure development is wise to hedge against vulnerability to threats and risks from a strategic point of view. The layout of the infrastructure on the Eastern Corridor depends on the redevelopment of existing infrastructure across the Punjab and Sindh. Similarly, the plan speaks of investments in the agro-sector. Pakistan's agricultural belt traditionally stretches from Khyber Pakhtunkhwa (KPK) to Punjab and Sindh. However, given the threat from India, the Punjab and Sindh agricultural belt is becoming very important as the CPEC will cover investments in these two provinces in the above sector.

---

<sup>49</sup> **Chellaney, B.:** *Asian Juggernaut: The Rise of China, India, and Japan.* Harper Collins, New York, 2010.

The geographical dilemma of the lack of strategic depth in Pakistan and its communication lines, which run parallel along its eastern border, poses a significant vulnerability. However, the presence of large infrastructure, industrial units and an economic zone on such a large scale poses a security challenge not only for Pakistan but also for China, which remains a major investor, especially if India is trying to jeopardize the existing crisis stability between the two countries. Despite limited repressive action by Indian military planners and political leadership as originally planned, scientists such as George Perkovich and Toby Dalton emphasize fears that the escalation of dominance that India is seeking is unlikely to be possible. First, Pakistan can find an incentive either to retaliate in kind or try to increase the cost to India by deploying, signaling or actually using nuclear weapons, whether against counter or counter-value targets. A dangerous spiral of events could change and shift to a limited war strategy to culminate in a total war. Nevertheless, it is worth noting that the FSD is likely to remain effective in denying tactical, operational and strategic differences in India. Citing King and Brodie, Halperin suggests that "the use of any kind of nuclear weapons in a limited war significantly increases the difficulty of maintaining any restriction "unstable in the sense that as soon as any war breaks out, nuclear weapons will be used."<sup>50</sup>

The CPEC is likely to be another factor that will prevent India from making a miscalculated adventure. Possible concerns about the CSD (Cold Start Doctrine), which in its actual implementation will turn into a total war, are likely to act as a trigger for China. To this end, China, despite its open policy of maintaining a neutral position, may be under enormous pressure to manage the crisis so that it does not turn into a complete violent conflict. The intervention could be the result of a perceived mutual threat (for Pakistan and China) or the likely consequences if India attempts to operate its CSDs. The eminent fear of mutual loss faced by the two engaged countries would mobilize them to act against this mutual threat.

---

<sup>50</sup> **Garlick, J.:** *Reconfiguring the China-Pakistan Economic Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities.* Routledge, Londýn. 2021, page 86.

### *8.1. SCO: Another potential stabilizer*

The SCO is a regional organization aimed at strengthening cooperation between eight Member States, namely China, Russia, India, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The organization was founded in 2001, preceded by a mechanism known as the Shanghai Five. The goals of the organization include:

... Strengthening mutual trust and neighborhood between Member States, promoting their effective cooperation in politics, trade, the economy, research, technology and culture, as well as in education, energy, transport, tourism, the environment and other areas; joint efforts to maintain and ensure peace, security and stability in the region and to move towards a democratic, just and rational new international political and economic order.

Regarding regional stability involving India and Pakistan, a spokesman for the Chinese Ministry of Foreign Affairs said before the 2017 annual SCO summit that "we sincerely hope that India and Pakistan will act in strict compliance with the SCO Charter and the Long-Term Neighborhood Agreement ... to work for a common goal, to lead friendly cooperation, to support the Shanghai spirit, to improve its relations and to add new impetus to the development of the SCO. "<sup>51</sup>

In addition to normative advice for India and Pakistan, the multilateral organization emphasizes and stipulates, in accordance with Article 2 of its Charter, mutual respect for sovereignty, independence, territorial integrity and inviolability of state borders, non-aggression, non-interference, non-use or threat of use in international relations. unilateral military superiority in neighboring areas. The certainty or credibility of standards in ensuring consistent behavior by Pakistan and India could be challenging. However, observing Pakistan's and India's participation in the summit, from granting observer status at the 2005 Astana Summit to becoming a permanent member in 2017, not only adds multiple value to the SCO, but also explains the two countries' perseverance in joining the multilateral regional organization. Although there

---

<sup>51</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics.* Oxford University Press, Cambridge, 2020, page 96.



could be speculation about the credibility or effectiveness of the regional dispute settlement body's procedures, the inclination of previous Member States, especially China, Russia and other Central Asian states, is likely to ensure that threats to the prevailing stability between them are refrained during any crisis. Because any spill-over tension between the two nuclear-armed South Asian neighbors could lead to crisis instability and complete violent confrontation, in order to save and ensure the credibility of the SC, if not at least offer a sustainable conflict solution or bilaterally agreed dispute settlement mechanism, Member States are likely to affect India. Pakistan to submit to the pressure to maintain stability in the region, even if the desired peace is not achieved directly between them.

The remarkable role of Russia and China as key members of the organization in relation to the central role that the SCO can play in influencing strategic stability in South Asia. After the end of the Cold War, the United States became the only superpower in the global order. These developments have led to the need for cooperation between China, Russia and the Central Asian states in order to establish a multilateral institution. The main concern was to limit America's influence in Central Asia. The SCO constitution originally resulted in cooperation between China, Russia and the new Central Asian republics in the field of terrorism, separatism and religious extremism. Although the SCO is currently not a fully military-political organization, if such a role materializes, it is most likely that the forum will be guided by the mutual security interests of China and Russia. Moreover, at the economic level, Russia, as one of the main producers of oil and gas, appreciates China's interdependence as the world's second largest importer of oil and gas products. This path enables the cooperation of the two great powers of the organization in the field of energy.

On the other hand, China seems convinced to review this multilateral institution for its energy security and trade through large-scale investment in infrastructure and interconnections with Central Asian countries. As a result, given their mutual security and interdependent economic interests, both countries are likely to force India and Pakistan to adjust to the SCO's goals and standard expectations and to play a crisis management role if necessary. Russia-India and China-Pakistan have traditionally experienced cordial relations and cooperation in various fields. In the case of India in

particular, Russia has more influence to cooperate with Pakistan through diplomacy than through war instruments.

## *8.2. Benefits of CPEC for Pakistan*

Pakistan is one of the most important countries in Asia. It is considered the sixth most populous country in the world, with an estimated population of nearly 200 million as of January 1, 2017, and a forecast of 220 million by 2024.<sup>52</sup> Most of the population lives in the four provinces of Khyber Pakhtunkhwa (KPK), Punjab, Sindh and Balochistan. Pakistan is expected to be the fourth most populous state by 2050. Both China and Pakistan are interested in minimizing the conflict in South Asia. The CPEC provides an opportunity for economic integration in order to reduce the ongoing conflicts in the region. It would also provide jobs and prosperity for millions of people in both countries. The western region of China can also develop and infrastructure connectivity in all forms be improved; rail, road, air, sea, telecommunications and energy, etc. worldwide. In February 2014, Pakistani President Mamnoon Hussain visited China and announced that the project would become a monument to the century. It will benefit not only Pakistan and China, but also the region with billions of people. In addition, both countries reiterated their strong commitment to implementing the plans for the proposed economic corridor.

The CPEC project is considered to be very important for both China and Pakistan. The CPEC not only provides a safe alternative trade transit route for Pakistan and China, but also helps to strengthen the region economically and balance India's regional impact. By strengthening its huge maritime presence in the Indian Ocean region, CPEC is also securing China's trade routes by reducing the distance and delivery time of total trade. Pakistan will benefit economically from becoming a transit trade route for international trade by increasing employment opportunities, alleviating poverty and bringing stability and prosperity by employing local people in economic and trade activities. In addition, the CPEC would attract undervalued foreign

---

<sup>52</sup> **Pal, D.:** *China's Influence in South Asia. Vulnerabilities and Resilience in Four Countries.* Carnegie Endowment for International Peace, Washington, DC, 2021.

investment, which has the prospect of boosting Pakistan's exports and increasing its GDP. This will open up trade and business opportunities in Pakistan as well.

In the past, Pakistan's economy has been marked by energy shortages, high inflation, insufficient infrastructure development and slow economic development. Pakistan's geostrategic location has enabled it to play a significant role in geopolitics, trade and transit. The construction of the CPEC provides Pakistan with the prospect of gradation of infrastructure development and economic expansion of the whole province, as the corridor passes directly through Pakistan. The Central Asian region can play an important role in Pakistan's economic recovery. According to the plan, new infrastructure, railways, airports and seaports are to be built in this ambitious plan. Provinces such as KP and Balochistan are lagging far behind in terms of development, will also receive infrastructure support and increased economic gains. In addition, Pakistan's Gilgit Baltistan offers this great opportunity for socio-economic development. As Pakistan's economy is heavily dependent on maritime trade, the development of Gwadar Port and its connectivity will reduce the burden on Karachi and Bin Qasim ports.

### *8.3. The importance of CPEC for China*

China sees the CPEC as a major strategic and economic move. China is trying to confront separatist troops in the region by transforming economic development in China's Xinjiang Province. Under CPEC, Gwadar will provide western China with a shorter, more economical and safer route. China's dependence on oil in the Persian Gulf and Iran is about 47 percent of its total consumption. The total inland distance from eastern China to western China will be reduced from 16,000 km to 3,000 km. As a key point, Gwadar thus provides China with an element of economic security. Currently, nearly 80 percent of Chinese oil is shipped from the Straits of Malacca to the port of Shanghai, with transit times from the Middle East and Africa reduced from 30 days to 2 days after projects are being completed. Gwadar can also be used as an alternative in case the Strait of Malacca is blocked.

China anticipated that the construction of the CPEC would develop China's relatively backward and turbulent Chinese region, which will bring peace and stability

to the region by facilitating trade with the Central Asian states to meet its growing energy needs. This would allow China the shortest access to markets in Asia, Europe and beyond. In addition, due to low labor costs, Chinese investors in Pakistan have a lot to offer in several sectors. In the future, the CPEC can pave the way for regional economic and trade interconnections and wider integration between the regions of South, Central and East Asia. However, the current situation between India and Pakistan in terms of their trade and economic relations, people-to-people connections, etc., should change. Through the CPEC, regional economic integration can prove to be a prelude to defining all political conflicts through economic cooperation.

In the beginning, Asian nations must put aside their lingering political differences in order for the 21st century to become the Asian century. The countries of South, Central and East Asia need to build more and more economic connections. The CPEC, as the flagship of OBOR, can prove to be a catalyst for the launch of regional trade integration and economic activities. However, there are some potential threats and challenges that may hamper the forthcoming development of the CPEC infrastructure and may hinder the transformation of the CPEC into its true form. The infrastructure construction process has stalled due to persistent and severe energy shortages. Year-round energy demand exceeds capacity by 4-7000 megawatts across the country.<sup>53</sup> The gradually deteriorating security situation in Afghanistan and its impact on Pakistan, together with the ongoing political disputes in Pakistan over the choice of different routes in all provinces, and mistrust between regional neighbors, continue to prevail. In a broader perspective, the CPEC can support the economic community in the region of South Asia, but also outside the regions of the world, if it manifests itself in the true sense of the word.

---

<sup>53</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics.* Oxford University Press, Cambridge, 2020.

### 8.3. *The impact of the CPEC on the regional and global level*

In the coming years, the CPEC has the potential to radically geopolitically and strategically change the entire Asian region. It has a huge chance of restructuring the economic perspective of regional Member States. Millions of people will benefit, as the initiative has the potential for economic growth, growing trade, enhanced cooperation and enhanced cultural connectivity among the people in the region. Afghanistan will be the main beneficiary of the project if the CPEC expands to this inland country, which can lead to a stable unstable economy. The Central Asian republics, which are vital for their oil wealth and natural gas resources, will gain access to the sea and diversification of the energy channel that the CPEC project can meet.

Initially, the CPEC project faced opposition from Iran. Recently, given its geopolitical importance, Iran has expressed a desire to take part in a project aimed at improving rail and road connections and expanding trade and transport. Pakistan and China have also made efforts under the auspices of the CPEC to build a "liquefied natural gas (LNG) terminal in Gwadar and 700 km of LNG pipelines from China, which could also become an Iran-Pakistan pipeline".<sup>54</sup> With the changing geopolitical scenario, the US presence and influence in the region may recede, which ostensibly gives China the opportunity to act as a balancer in the South Asian region, mainly due to its deteriorating relations with Russia. By supporting China-Pakistan relations, the United States can take advantage of growing economic dependence to help China address US major concerns and face the threat of extremism and terrorism. However, the United States has reservations that Pakistan has handed over the port of Gwadar to China, which can be used as a Chinese naval base.

---

<sup>54</sup> **Gokhale, V.:** *The Road from Galwan: The Future of India-China Relations*. Carnegie Endowment for International Peace, Washington, DC, 2021, page 102.

#### 8.4. Indian concerns about CPEC

India is particularly concerned about the CPEC route, which passes through the disputed regions of Jammu and Kashmir, as both Pakistan and India are claiming the territory. Sushma Swaraj, India's foreign minister, called the project "unacceptable" as it affected the disputed Jammu and Kashmir region. According to the Indian claim, the CPEC passes through Indian territory, thereby violating Indian territorial integrity. Since the launch of the project, India has made alarming statements against various huge ventures in various international and national fora. In addition, India boycotted the OBOR forum in Beijing on May 14-15, 2017. According to Indian Foreign Affairs spokesman Gopal Baglay, "no country is accepting a project that ignores its main concerns about sovereignty and territorial integrity."<sup>55</sup> Some Indian scientists consider the CPEC to be part of the colonialist agenda and the threat to India's internal security by the Chinese by developing the Gwadar port project and securing access to the Indian Ocean region.

Immediately after 9/11, improving US-US ties put pressure on China to improve its relations with India, and China therefore had a greater geopolitical interest in keeping Pakistan in the background. The recent revival of relations has much to do with the growing attacks on Chinese citizens and property in Pakistan, as well as the infiltration of terrorism and the instability of Pakistani origin into Xinjiang through Uighur separatists and possibly religious fundamentalists. However, as the geopolitical context changed as the United States (US) withdrew from Afghanistan and faced new challenges in West Asia, and just as importantly because it was swept away by the global financial crisis, the Chinese political calculus also changed.

---

<sup>55</sup> **Farooq, U., Khawaja, A. S.:** *China-Pakistan Economic Corridor: Geo-political Implications, Regional Constraints and Benefits of CPEC.* South Asia Studies, A Research Journal of South Asian Studies, Vol. 34, No. 2, 2019, page 39.

One of the beneficiaries of this development was Pakistan. After several major problems in the middle of the 21st century, especially in connection with the terrorist attacks on Pakistani soil against Chinese citizens, relations with Pakistan seemed to be gaining momentum again. The CPEC is a reflection of this. In fact, Xinhua called the CPEC a "flagship project" of China's ambitious vision of a modern reconstruction of the Silk Road, and Si Jinping's visit to Pakistan highlights this aspect. Yet Si Jinping's visit was not the only problem-based visit: terrorism continues to sever ties, although strategic military relations continue to be emphasized and strengthened. Chinese scholars have also not been ashamed to stress the importance of the terrorist factor in China's relations with Pakistan.

In addition to the conflict dynamics, there are other ways in which the CPEC is perceived in Pakistan and China. As for Pakistan, the CPEC connects China with West Asia and Central Asia, and the Chinese see that the corridors provide them with a key road to their markets in Europe and Africa. While Pakistanis see the CPEC as part of China's stabilization effort in the AfPak region (Afghanistan and Pakistan), they also see the CPEC as a final expansion to connect other countries and stimulate the region's economic and trade boom. Of course, India must also be part of this mix. Indeed, Pakistani analysts have noted that despite a border dispute with India and tensions over growing Indo-US ties, China has sought to maintain good relations with India with a growing economic relationship. Pakistan's leaders "need to learn from the sophistication of China's foreign affairs." China, Pakistan and India have recognized that a zero-sum game can only lead to mutual pain, and several experts have stated that "China-Pakistan cooperation not only leads to an improved trade and investment environment in Pakistan, but also helps to improve the security environment in It is not entirely clear whether the bezpečnost security risks 'come from India or Pakistan, but as this remains open, there is some engagement, possibly involving India, was essential for stability in the region.

However, the CPEC is also an opportunity for India to reconsider its own approach to Sino-Pakistan relations. Saving the Pakistani economy and / or strengthening the Chinese economy may be in India's strategic interest. In order for Beijing to give more weight to Indian interests and to stop submitting to Rawalpindi or Islamabad, both the Chinese and Pakistanis must perceive India as sensible and

accommodating. New Delhi could begin to highlight the fact that the CPEC is crossing Pakistan-occupied Kashmir. Instead, without prejudice to its position on Kashmir, India could cultivate important constituencies in both neighboring countries by showing greater openness in linking the Indian economy to the CPEC. In essence, this would only be an extension of trade initiatives across the LOC and other exchanges that have gone headlong between Jammu and Kashmir and Kashmir-occupied Pakistan. Although neither Pakistanis nor the Chinese have officially indicated that they were interested in such an opportunity, it was in one case that a serving lieutenant general in the Pakistani army openly invited India to join the CPEC. However, the invitation was conditional on India stopping alleged "anti-Pakistan activities and subversion," which calls into question the sincerity of the offer.<sup>56</sup> Chinese commentators also seem to be inclined to believe such accusations against Pakistan, and their reference to "enemy forces" seems to include India.

However, what may be considered more important for Chinese state-owned enterprises is the kind of return on their investment that Pakistan can provide. Chinese state-owned enterprises are a politically strong interest group within the CCP and are under pressure from both anti-corruption efforts and turbulence in the domestic economy. Going abroad is therefore an escape in several ways, and despite the Sino-Indian tensions, as well as in the context of the CPEC, they are certainly aware that the Indian market is the real prize in the Chinese BRI. Politically, meanwhile, China's support for India's membership in the SCO suggests that Beijing could hope for a level of involvement in the AfPak region, providing at least a hint of multilateral consensus, if not action, on the region's major security challenges.

China, for example, wanted to prioritize the role of the SCO in the region, and its call for SCO members to closely coordinate and work together to actively address new regional threats and challenges is important. As part of its discourse, which seeks to paint the separatist movement in Xinjiang as a predominant problem of terrorism, China has also called on members of the Shanghai Cooperation Organization to increase cooperation on law enforcement, intelligence sharing, staff training, counter-

---

<sup>56</sup> **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability.* Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.



terrorism and trafficking. drugs. China and India conduct Hand-in-Hand counter-terrorism exercises every year, and there is considerable interest on the Chinese side in their substantial expansion. During CMC Vice President Fan Changlong's visit to India in November 2015, the two sides agreed on the need for cooperation in the fight against terrorism.<sup>57</sup>

## **9. The continuing paradox of stability - instability in South Asia**

The theme of the paradox of stability and instability is reminiscent of a hammock in the context of South Asia's strategic stability and security, given the recurrent breaches of the India-Pakistan ceasefire across the LoC, the labor border and the international border. The paradox concerns the classic puzzle, where there is stability at higher levels between nuclear armed rivals and prevents opponents from engaging in nuclear exchange. On the other hand, there is instability among adversaries as a result of violent encounters at lower levels of conflict through skirmishes, proxy conflicts or recurring crises as a substitute for a full-blown violent conflict. This paradox of stability and instability is likely to continue on the subcontinent. As the preceding and following arguments reinforce the existing nature of stability between India and Pakistan, paradoxical instability is likely to exist. Daniel R. Coats, director of the National Intelligence Service, shared the concern with the U.S. Senate Armed Forces Committee, arguing that "the growing number of shootings along the line of control, including the use of artillery and mortars, could increase the risk of inadvertent escalation between these nuclear armed forces". neighbors<sup>58</sup>. Anti-Pakistani groups are likely to respond to this constant pressure by focusing their efforts on soft targets. However, this sinister revelation only confirms that the paradox of instability will persist. Given the calculation of the threats, scientists have also indicated India's involvement in the use of representatives, especially separatist groups in Balochistan, to worsen Pakistan's internal security.

---

<sup>57</sup> **Clemens, A.:** *China Pakistan Economic Corridor Needs a Counter Strategy of India*. Alpha Editions, Marousi, 2018.

<sup>58</sup> **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics*. Oxford University Press, Cambridge, 2020, page 73.

One of the reasons for India's reluctance to join the OBOR initiative is the CPEC. India considers the crossing of the corridor through Gilgit-Baltistan to be a threat to its security interests. Indian Prime Minister Modi called it "unacceptable" when President Xi Jinping made his historic trip to Pakistan for his inauguration. The anxiety continues despite former Pakistani Prime Minister Nawaz Sharif's assurances on the platform and the inauguration ceremony of the New Silk Road in Beijing that the corridor should not be politicized. China has reiterated its policy of non-intervention in the Jammu and Kashmir dispute on various occasions. This is an issue that remains a history between India and Pakistan and should be properly addressed through India and Pakistan through consultations and negotiations, where they should properly address differences by increasing communication and dialogue, and jointly promote regional peace and stability. China's strong insistence on maintaining its neutrality over the Jammu and Kashmir dispute is key to a smoother launch and timely completion of development issues related to the OBOR, but despite this reluctance, the PRC is likely to keep India under control, posing a potential security threat to CPEC projects. which either pass through Gilgit-Baltistan or other eastern parts of Pakistan. In this regard, China is likely to play an active role in managing the crisis and preventing it from escalating. This may be reflected in how China decides to respond to a number of options.

To discourage India from escalating any crisis, the Pakistani FSD will not only discourage India from taking steps that are in line with its limited war strategy, China is also likely to use a variety of options to complement deterrence and consolidate the crisis and stability in South Asia. Possible Chinese responses can range from conducting coercive diplomacy, including press briefings or assuring Pakistan of CPEC security, to the possible mobilization of troops along the Pakistan-China border, the Aksai Chin region or the northeastern India-China border to force or deter India from any provocative plans or a limited war strategy. However, the last two options are postulated as responses in an extreme crisis situation and are not considered here as conditional responses in a given crisis.<sup>59</sup> Despite these possibilities, we cannot rule out or postpone the likely use of non-violent means, especially diplomacy, such as the use

---

<sup>59</sup> **Gokhale, V.:** *The Road from Galwan: The Future of India-China Relations*. Carnegie Endowment for International Peace, Washington, DC, 2021.

of platforms such as SCO or the use of multiple return channels to relieve tensions to restore or complement the overall architecture of strategic stability, especially crisis stability in South Asia.

As India seeks to play a key role in global affairs, its share of peace and stability in its immediate vicinity would require some form of cooperation with China. At the same time, it is a greater challenge for Indian diplomacy to engage with China in a cooperative framework in the broader context of geopolitical rivalry and competition between the two Asian giants. India will face growing competition from China as its interests overlap and overlap in South Asia and beyond. In the foreseeable future, this will cause the necessary competition and rivalry between the two countries. In this context, it is clear that India's regional and global policies will be increasingly driven not so much by an effort to come to terms with China's predominant power as by an effort to find its place as a power. India's broad orientation towards China will therefore have to rest on three pillars. Firstly, to continue cooperating with China within the parameters that both countries have already set and accepted. In other words, it will seek a negotiated settlement of the troubled issue of the disputed borders, while expanding its ties in other areas of common interest, in particular economic ones, in order to build a share in the ongoing cooperation. Second, given the uncertainties surrounding the long-term intentions of its more powerful and assertive neighbor, it would be prudent for India to continue to build its military strength to meet any future challenge for China. The third and final pillar will be investment in building partnerships with smaller neighbors in an overarching framework of bilateral and regional cooperation, which will allow India to play a more constructive and positive leadership role in the region.

## SOURCES:

1. **Carroll, Z.:** *Pakistan-China: Strategic Encirclement of India's Core Interests*. Alpha Editions, Marousi, 2018.
2. **Clemens, A.:** *China Pakistan Economic Corridor Needs a Counter Strategy of India*. Alpha Editions, Marousi, 2018.
3. **Dittmer, L.:** *South Asia's Nuclear Security Dilemma: India, Pakistan, and China*. Routledge, London, 2015.
4. **Farooq, U., Khawaja, A. S.:** *China-Pakistan Economic Corridor: Geo-political Implications, Regional Constraints and Benefits of CPEC*. *South Asia Studies, A Research Journal of South Asian Studies*, Vol. 34, No. 2, 2019.
5. **Fayyaz, M.:** *China-Pakistan Economic Corridor (CPEC): The Road to Indian Ocean and its Geopolitical Implications for the India-Pakistan Strategic Relations*. *International Journal of Educational Research and Studies*, Vol. 1, Issue 1, 2019.
6. **Foulon, M., Thompson, J. (eds.):** *The Future of European Strategy in a Changing Geopolitical Environment: Challenges and Prospects*. The Hague Centre for Strategic Studies, 2021.
7. **Garlick, J.:** *Reconfiguring the China-Pakistan Economic Corridor: Geo-Economic Pipe Dreams Versus Geopolitical Realities*. Routledge, London, 2021.
8. **Gilli, A., Gilli, M.:** *Why China Has Not Caught Up Yet*. *International Security Online*, Vol. 43, No. 3, 2019.
9. **Gokhale, V.:** *The Road from Galwan: The Future of India-China Relations*. Carnegie Endowment for International Peace, Washington, DC, 2021.

10. **Chellaney, B.:** *Asian Juggernaut: The Rise of China, India, and Japan*. Harper Collins, New York, 2010.
11. **Kapur, A.:** *India and the South Asian Strategic Triangle*. Routledge, London, 2010.
12. **Karim, M. A., Islam, F.:** *Bangladesh-China-India-Myanmar (BCIM) Economic Corridor: Challenges and Prospects*. The Korean Journal of Defense Analysis, Vol. 30, No. 2, 2018.
13. **Mohan, C. R.:** *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific*. Brookings Institution Press, Washington, DC, 2012.
14. **Nizamani, U.:** *The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability*. Islamabad Policy Research Institute, Journal of Current Affairs, Vol. 2, No. 2, 2018.
15. **Pal, D.:** *China's Influence in South Asia. Vulnerabilities and Resilience in Four Countries*. Carnegie Endowment for International Peace, Washington, DC, 2021.
16. **Ranjan, A.:** *The China-Pakistan Economic Corridor: India's Options*. The Institute of Chinese Studies, No. 10, May 2015.
17. **Safdar, M. T.:** *The Local Roots of Chinese Engagement in Pakistan*. Carnegie Endowment for International Peace, Washington, DC, 2021.
18. **Siegfried, O. W.:** *The China-Pakistan Economic Corridor of the Belt and Road Initiative: Concept, Context and Assessment*. Springer, Berlin, 2019.
19. **Singh, A.:** *Hard Realities: India, Pakistan, China in an Emerging New World*. Lancer Publishers LLC, New York City, 2019.

20. **Small, A.:** *The China-Pakistan Axis: Asia's New Geopolitics*. Oxford University Press, Cambridge, 2020.
  
21. **Wolf, Ch.:** *Puzzles, Paradoxes, Controversies, and the Global Economy*. Hoover Press, Washington, DC, 2015.



**IDENTITY  
AND DEMOCRACY  
FOUNDATION**

Study published by the **Identity and Democracy Foundation**  
IDENTITÉ ET DÉMOCRATIE FONDATION - ID FONDATION  
75 Boulevard Haussmann - 75008 - France  
Numéro de SIRET : 823 400 239 00021  
office@id-foundation.eu - www.id-foundation.eu

Published in 2022

President of the Identity and Democracy Foundation: **Hervé Juvin**

Director of publication: **Andréa Kotarac**

**The ID Foundation is partly funded by the European Parliament and  
has full responsibility for this publication.**

**This publication is not for sale.**